

clear to trade



eurex clearing circular 042/09

Date: Frankfurt, July 23, 2009
Recipients: All Clearing Members of Eurex Clearing and Vendors
Authorized by: Thomas Book

Eurex Credit Clear: Clearing Conditions for Eurex Clearing AG

Related Eurex Clearing Circular: 036/09

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Content may be most important for:

Ü All departments

Attachments:

1. New chapter VIII of the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) as of August 7, 2009
2. Chapter VIII of the Clearing Conditions: In comparison to version of July 30, 2009

In the course of the introduction of Eurex Credit Clear, the European OTC Clearing Solution for Credit Default Swaps, on **July 30, 2009** the appropriate amendments to the Clearing Conditions for Eurex Clearing AG were provided on July 15, 2009.

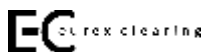
An update to above-mentioned Clearing Conditions is enclosed as attachment 1.

Attachment 2 specifies the amendments in comparison to the version of July 30, 2009.

The amended Clearing Conditions will become effective on August 7, 2009 and, as of this date, can be found on the Eurex Clearing website under the following path:

www.eurexclearing.com > Documents > Rules & Regulations

Should you have any further questions, please do not hesitate to contact the Eurex Clearing Member Readiness Team at tel. +49-69-211-1 22 33 or e-mail to "eurexotcclear.simulation@eurexclearing.com".



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Aktiengesellschaft mit
Sitz in Frankfurt/Main
HRB Nr. 44828
Amtsgericht
Frankfurt/Main

THE FOLLOWING PROVISIONS OF CHAPTER VIII WILL BE IMPLEMENTED INTO THE
CLEARING CONDITIONS COLLECTIVELY AS OF AUGUST 7, 2009.

Chapter VIII Clearing of OTC Derivatives Transactions

Part 1 General Provisions

- (1) Eurex Clearing AG offers the settlement respectively clearing of OTC Derivatives Transactions, provided that such OTC Derivatives Transactions are of a Product Type recognised by Eurex Clearing AG and provided that the prerequisites pursuant to Chapter I Part 1 and in particular pursuant to Chapter VIII are fulfilled.
- (2) If and to the extent that OTC Derivatives Transactions are accepted for clearing pursuant to paragraph 1, the provisions of Chapter I shall also apply to the clearing of OTC Derivatives Transactions, unless otherwise provided hereinafter. As far as provisions of Chapter I are referring to Non-Clearing Members ("NCM"), these provisions apply to customers of Clearing Members accepted by Eurex Clearing AG (each a "Registered Customer") mutatis mutandis.
- (3) Chapter VIII does not apply to the clearing of Off-Exchange Futures and Options Transactions specified in Chapter II Part 4.

1.1 Sub-Part Clearing License

1.1.1 Granting of the Clearing License

- (1) In order to participate in the clearing of OTC Derivatives Transactions, a clearing license is necessary ("OTC Clearing License"), which entitles the holder thereof to clear its own transactions, transactions of its Registered Customers and customers' transactions and which is equivalent to, and shall be deemed to be, a General Clearing License. Such license shall be granted by Eurex Clearing AG upon written application. Each such OTC Clearing License will be granted with the restriction to clear certain classes of OTC Derivatives Transactions covered within the following Parts of Chapter VIII.
- (2) An institution applying for a clearing license shall provide to Eurex Clearing AG evidence of a technical and functional connection to the gross delivery management (Chapter I Number 1.6 Clearing Conditions) pursuant to the specifications to set forth by Eurex Clearing AG.
- (3) The prerequisites to be fulfilled for the granting of the relevant OTC Clearing License are defined in each of the following Parts of Chapter VIII.

1.2 Sub-Part

Novation / Cancellation of CCP Transactions

For the purposes of including OTC Derivatives Transactions into the clearing and settlement by Eurex Clearing AG, the trade record of the relevant OTC Derivatives Transaction has to be transmitted to Eurex Clearing AG on behalf of Clearing Members and / or their Registered Customers by a provider authorised by Eurex Clearing AG to submit such transactions for clearing to Eurex Clearing AG ("Approved Trade Source System"). Following such submission, the relevant OTC Derivatives Transactions will be novated in accordance with, and subject to, Chapter VIII Sub-Part 1.2 and the following Parts of Chapter VIII; Chapter I applies mutatis mutandis.

1.2.1 Novation Principles

- (1) Eurex Clearing AG will become the central counterparty for an OTC Derivatives Transaction entered via an Approved Trade Source System into the system of Eurex Clearing AG by way of novation, if Eurex Clearing AG accepts the relevant OTC Derivatives Transaction for inclusion into the clearing. Eurex Clearing AG will accept an OTC Derivatives Transaction if the novation criteria defined in Chapter VIII Number 1.2.2 as well as any novation criteria set out in the following Parts of Chapter VIII applicable to the relevant Product Type (together the "Novation Criteria") are met. In this case, Eurex Clearing AG shall, upon its acceptance of an OTC Derivatives

Transaction ("Original OTC Transaction"), interpose itself, by means of a novation, as the counterparty to each party to such accepted Original OTC Transaction and the Original OTC Transaction shall be discharged and replaced by two new derivatives transactions ("CCP Transactions"). The Clearing Member that acted as buyer under the Original OTC Transaction shall be deemed to be the buyer under a CCP Transaction entered into by way of novation with Eurex Clearing AG and the Clearing Member that acted as seller under the Original OTC Transaction shall be deemed to act as seller under a CCP Transaction entered into by way of novation with Eurex Clearing AG.

- (2) Each CCP Transaction as set out in the relevant OTC Trade Event Report shall be subject to the Clearing Conditions, particularly to Chapter VIII and, unless expressly set out otherwise herein, the parties to the Original OTC Transaction shall be released from their obligations to each other under the Original OTC Transaction provided that any outstanding obligations relating to payments that have become due under the Original OTC Transaction, but have not have been paid yet, on or before the date of novation shall continue to exist under the contractual provisions of the Original OTC Transaction. The CCP Transactions resulting from the novation shall not be subject to the valid existence of the Original OTC Transaction (abstract novation).
- (3) "OTC Trade Event Report" means a report produced by Eurex Clearing AG that specifies the Original OTC Transactions (by reference to the trade record transmitted by the relevant Approved Trade Source System) as well as the respective CCP Transactions.
- (4) The acceptance of an Original OTC Transaction by Eurex Clearing AG referred to under Paragraph 1 shall be deemed to be effective at the Time of Novation (Chapter VIII Number 1.2.3.3 of the Clearing Conditions).

1.2.2 Novation Criteria

The Novation Criteria are:

1. Original OTC Transactions must be entered into the system of Eurex Clearing AG via an Approved Trade Source System.
2. Each party to an entered Original OTC Transaction must be either a Clearing Member of Eurex Clearing AG or a Registered Customer.
3. The Clearing License of the involved Clearing Members is not suspended.

4. Registered Customers must have concluded a standard Clearing Agreement (Appendix "RC-CM-Clearing Agreement" to the Clearing Conditions) with a Clearing Member and the Eurex Clearing AG, and more of such Registered Customers has not been excluded from the clearing of OTC Derivatives Transactions.
5. The Clearing Members and / or Registered Customers which are parties to the Original OTC Transactions must have specified regarding each Original OTC Transaction that it should be novated and cleared by Eurex Clearing AG by entering a respective defined attribute into the relevant trade record transmitted on their behalf by an Approved Trade Source System to Eurex Clearing AG.
6. Original OTC Transactions, as entered into the system of Eurex Clearing AG, must be of a product type which is recognised by Eurex Clearing AG, as published on its website (www.eurexclearing.com), and which is provided for in the following Parts of Chapter VIII ("Product Type").
7. The Clearing Members dedicated to clear OTC Derivatives Transactions must have deposited sufficient collateral with Eurex Clearing AG to cover calculated risks resulting from CCP Transactions.
8. Any applicable additional Novation Criteria set forth in the following Parts of Chapter VIII.

1.2.3 Novation Process

The novation and clearing process (clearing) will be carried out for Original OTC Transactions on a weekly basis ("Weekly Clearing Cycle"). The Weekly Clearing Cycle takes place in accordance with the following provisions.

1.2.3.1 Preliminary Clearing Forecast

On each Wednesday, Eurex Clearing AG makes available a preliminary report in its system to Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable.

1.2.3.2 Final Clearing Forecast / Release by Clearing Members

- (1) On each Thursday, Eurex Clearing AG makes available an updated preliminary report in its system to the Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable.
- (2) Until 9:30 a.m. CET on such Thursday, each Clearing Member shall, in an e-mail sent to Eurex Clearing AG (eurexcreditclear@eurexclearing.com), specify any individual or all Original OTC Transactions listed in the updated preliminary report which shall not be released and accordingly not novated nor cleared by Eurex Clearing AG within the current Weekly Clearing Cycle ("Excluded Transactions"). In case Eurex Clearing AG receives more than one e-mail from one Clearing Member, the latest e-mail received by Eurex Clearing AG shall prevail. After 9:30 a.m. CET, the release of Original OTC Transactions cannot be revoked or amended. If the relevant e-mail does not specify any Excluded Transactions or if no e-mail is received by Eurex Clearing AG from the relevant Clearing Member until 9:30 a.m., all Original OTC Transactions listed in the updated preliminary report shall be deemed to be released on a preliminary basis (subject to Paragraph 4) by the relevant Clearing Member.
- (3) Further to this, Eurex Clearing AG makes available a final forecast report in its system to the Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable, and which are not Excluded Transactions.
- (4) On such Thursday, each Clearing Member shall release for the clearing the Original OTC Transaction listed in the final forecast report made available to it by sending an e-mail to Eurex Clearing AG (eurexcreditclear@eurexclearing.com) not later than 11:45 p.m. CET. Such release must relate to all Original OTC Transactions listed in the final forecast report. If the e-mail is not received by Eurex Clearing AG in time, Eurex Clearing will publish to all Clearing Members holding a CD Clearing License the names of those Clearing Members who have not released. Following this, if the Clearing Member cannot release in a reasonable time, then Eurex Clearing AG will reject the current Weekly Clearing Cycle. Eurex Clearing AG will publish to all Clearing Members holding a CD Clearing License a confirmation of receiving all releases.
- (5) If a Clearing Member does not release one or more Original OTC Transactions for the

clearing in the current Weekly Clearing Cycle pursuant to Paragraph 2, this shall be binding on the respective counterparty of each Original OTC Transaction which has not been released and, if different, the relevant Clearing Member of such counterparty, respectively, and such Clearing Member shall not be entitled to request the inclusion of Excluded Transactions into the clearing.

- (6) After the final forecast report pursuant to Paragraph 3 has been made available and following the release by the relevant Clearing Members pursuant to Paragraph 4, on the same business day Eurex Clearing AG makes available a final report in its system to the Clearing Members that confirms which Original OTC Transactions as of that day fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable. In addition, this final report shows the Original OTC Transactions which will not be novated nor be cleared by Eurex Clearing AG within the current Weekly Clearing Cycle pursuant to Paragraphs 2.

1.2.3.3 Time of Novation

- (1) Novation occurs on each Friday at the time when all of the following conditions are fulfilled ("Time of Novation"):
- the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable,
 - deposit of sufficient collateral by the relevant Clearing Member with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7, and
 - the OTC Trade Event Report being made available to the relevant Clearing Members by Eurex Clearing AG in its system.
- (2) If the OTC Trade Event Report has been made available to Clearing Members by Eurex Clearing AG and if for any reason such report shows Original OTC Transactions of a Clearing Member that has not deposited sufficient collateral with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7, then novation pursuant to paragraph 1 will not occur with respect to the Original OTC Transactions affected by the non-fulfillment of the obligation to deposit sufficient collateral. In this case, novation pursuant to paragraph 1 will not occur regarding any Original OTC Transaction listed in OTC Trade Event Report of the respective counterparties with the Clearing Member which has not deposited sufficient collateral with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7. Eurex Clearing AG will send a separate notice

amending the OTC Trade Event Report to the relevant Clearing Members, as soon as practicable, informing them about the Original OTC Transactions listed in the OTC Trade Event Report for which novation has not occurred pursuant to paragraph 1.

- (3) Eurex Clearing AG may suspend a Weekly Clearing Cycle after notifying the Clearing Members at least 10 business days prior to the Friday (Chapter VIII Number 1.2.3.3 Paragraph 1) of such Weekly Clearing Cycle. On such Friday, novation pursuant to paragraph 1 will not occur.

1.2.3.4 Adjustments within the Weekly Clearing Cycle

If an action pursuant to Chapter VIII Numbers 1.2.3.1 to 1.2.3.3 is to be taken on a day which is not a business day the following shall apply:

- if the action is to be taken on a Wednesday (Chapter VIII Numbers 1.2.3.1) such action shall be taken on the business day preceding such day,
- if the action is to be taken on a Thursday (Chapter VIII Numbers 1.2.3.2) such action shall be taken on the business day preceding such day; in this case the action which is to be taken on a Wednesday (Chapter VIII Numbers 1.2.3.1) shall be taken on the business day preceding such day, as well,
- if the action is to be taken on a Friday (Chapter VIII Numbers 1.2.3.3) such action shall be taken on the business day preceding such day; in this case each of the actions which are to be taken on a Thursday and on a Wednesday (Chapter VIII Numbers 1.2.3.2 and 1.2.3.1) shall be taken on the business day preceding such day, as well.

1.2.4 Transactions after Novation (CCP Transactions)

- (1) A CCP Transaction shall only be concluded between Eurex Clearing AG and a Clearing Member. The CCP Transactions of the Clearing Member shall be booked on accounts for CCP Transactions kept by Eurex Clearing AG for the Clearing Member pursuant to Chapter I Number 4.1 of the Clearing Conditions which applies mutatis mutandis.
- (2) As a Registered Customer is not itself authorised to engage in clearing activities, its Original OTC Transactions may only be cleared and novated through the Clearing Member (Chapter VIII Number 1.1.1 of the Clearing Conditions) through which its

respective CCP Transactions are settled.

- (3) Whenever an Original OTC Transaction is entered into the system of Eurex Clearing AG via an Approved Trading Source System on behalf of a Registered Customer and is novated by Eurex Clearing AG, a transaction takes place between such Registered Customer and the Clearing Member ("CCP Customer Transaction") that corresponds to the CCP Transaction between the relevant Clearing Member and Eurex Clearing AG. Subject to the relevant Clearing Agreement between the Registered Customer, its Clearing Member and Eurex Clearing AG ("RC-CM Clearing Agreement"), the CCP Customer Transaction shall have the same terms as the relevant CCP Transaction. For the avoidance of doubt, if any provision of a CCP Customer Transaction is not valid or not enforceable vis-à-vis the respective Registered Customer, this shall not affect the CCP Transaction between Eurex Clearing AG and the relevant Clearing Member.

1.2.5 Cancellation of CCP Transactions

- (1) Eurex Clearing AG shall cancel the CCP Transactions resulting from the novation of a OTC Derivatives Transaction, if the following conditions are fulfilled:
- the Clearing Members which as buyer and seller are a party to equivalent CCP Transactions in respect of the same notional amount and, if in addition the novation resulted in CCP Customer Transactions, the respective Registered Customers that are parties to these CCP Customer Transactions, request vis-à-vis Eurex Clearing AG after the Time of Novation, but not later prior to the start of the next Offset Process (Chapter VIII Number 2.1.6 of the Clearing Conditions), to cancel the respective CCP Transactions and the CCP Customer Transactions respectively, if any,
 - the cancellation of each of the CCP Transactions requested does not result in insufficient margin coverage of one of the requesting Clearing Members, and
 - the novation criteria set out in Chapter VIII Number 2.1.5 (which shall apply mutatis mutandis) must be met by the CCP Transactions pursuant to Subpart 2 which are requested to be cancelled.
- (2) The request shall be submitted via telephone (phone: +49 (0) - 69 - 211 11250), via fax (fax no: +49 (0) - 69 - 211-18440) or electronically via e-mail to eurexcreditclear@eurexclearing.com.

1.3 Sub-Part Margining

1.3.1 Determination of Margin to be maintained

- (1) Instead of Chapter I Number 3.1 Paragraph 1 to 3 and Paragraph 5 as well as Paragraph 6 the following applies:
 - a) On every business day (Chapter I Number 1.1 Paragraph 8), each Clearing Member is required to maintain margin in the amount to be determined by Eurex Clearing AG to cover all of its obligations resulting from the CCP Transactions and other transactions concluded with Eurex Clearing AG pursuant to the Clearing Conditions.
 - b) Such margin may be provided in cash or in securities or book-entry securities (Wertrechte) acceptable to Eurex Clearing AG. Eurex Clearing AG shall calculate the amount of margin from the total sum of the obligations of the Clearing Member. The total sum of the obligations shall result from the sum of the own- and customer account for CCP Transactions and of the obligations of the Clearing Member booked in the own- and customer account for Registered Customer transactions.
 - c) Each Clearing Member must collect margin from each of its customers in an amount which is not less than the amount determined on the basis of the formula applied by Eurex Clearing AG which formula Eurex Clearing AG may amend from time to time.
- (2) Eurex Clearing AG will calculate the difference between the market values taking the evaluation prices of the immediately preceding day and of the current day into account ("Mark to Market Margin").
- (3) In addition to the margin required under Paragraph 2, a further margin requirement ("Next Day Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all CCP Transactions not yet performed assuming the least favourable price developments, as determined by Eurex Clearing AG.
- (4) Eurex Clearing AG will determine a liquidation factor considering the estimated period of time to close-out CCP Transactions. The liquidation factors determined will be included into the calculation of the Next Day Margin pursuant to Paragraph 3 as well as in the calculation of Accrued Premium Margin pursuant to Chapter VIII Number 2.1.10 Paragraph 3.

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- (5) The basis for the determination of margin to be maintained are the obligations to be performed per account in all CCP Transactions, whereby, per account the net position of the respective CCP Transactions will be considered.
- (6) The margin determined for the Principal Account for CCP Transactions shall be added to the margin determined for the Agent Account for CCP Transactions; credit balances shall not be taken into account. Sentence 1 shall apply accordingly to the calculation of the margin for the respective accounts for CCP Transactions which Registered Customers clear through their Clearing Members. The total margin requirement applicable to a Clearing Member shall be determined by aggregating the margin requirements for CCP Transactions determined pursuant to sentence 1 and the margin requirements for CCP Transactions pursuant to sentence 2; credit balances shall not be taken into account.
- (7) In case CCP Transactions are to be settled via physical delivery of securities the provisions of Chapter I Number 3.1 Paragraph 2 and Paragraph 3 shall apply mutatis mutandis.
- (8) Regarding the determination of margin the provisions of Chapter I Numbers 3.2, 3.3, 3.4 and 3.5 shall apply mutatis mutandis.

1.4 Sub-Part Accounts

1.4.1 Accounts of Clearing Members

Eurex Clearing AG undertakes to keep a Principal Account and an Agent Account for each Clearing Member, on which the CCP Transactions of the Clearing Member are booked. Insofar Chapter I Part 4 applies mutatis mutandis. Whereas, with regard to CCP Transactions which Registered Customers or other customers of Clearing Members clearing through their Clearing Members, such CCP Transactions have to be booked on the relevant Agent Account.

1.5 Sub-Part General Obligations

1.5.1 Business and contractual obligations

- (1) For the clearing of OTC Derivatives Transactions, Chapter I applies mutatis mutandis, unless otherwise provided in Chapter VIII.
- (2) A Clearing Member is, regardless of the regulations in Chapter VIII Sub-Part 1.2, obligated to fulfil all liabilities resulting from CCP Transactions to which it is a party.
- (3) Regarding any deliveries, if any, and payments resulting from CCP Transactions, Chapter I Number 1.5 applies mutatis mutandis.
- (4) Eurex Clearing AG shall be a contracting party to any deliveries, if any, and all payments under a CCP Transaction arising out of the clearing and settlement of transactions after the novation of Original OTC Transactions, unless expressly stated herein otherwise.
- (5) Clearing Members must fulfil their delivery obligations, if any, and payment obligations under a CCP Transaction in accordance with the instructions of Eurex Clearing AG.
- (6) If a Clearing Member is or will be obliged to deduct or withhold a tax amount or other fiscal charge from a payment which it is to make, it shall pay to Eurex Clearing AG such additional amounts as are necessary to ensure that Eurex Clearing AG receives the full amount to which it would have been entitled at the time of such payment if no deduction or withholding had been required. If a Clearing Member is or will be obliged to pay such additional amounts pursuant to sentence 1, the Clearing Member shall not be entitled due to such obligation to terminate a CCP Transaction. Sentences 1 and 2 apply to CCP Customer Transactions between Clearing Members and their Registered Customers mutatis mutandis.

1.5.2 Exclusion of a Registered Customer from the clearing of OTC Derivatives Transactions

- (1) If a Registered Customer fails to provide the margin fixed by its Clearing Member or to effect any daily payment in a timely manner, the Registered Customer may – upon written request to Eurex Clearing AG by the Clearing Member - be excluded from the clearing of OTC Derivatives Transactions) for the duration of such failure.

Upon receipt of such request Eurex Clearing AG will enter the exclusion into its system without undue delay and from that time the provisions of Chapter VIII Number 1.2.1 in conjunction with Number 1.2.4 do not apply.

- (2) If a Registered Customer has been excluded from clearing of OTC Derivatives Transactions, the Clearing Member may close the transactions or positions of such Registered Customer. The costs of such closing shall be borne by the Registered Customer.

1.6 Sub-Part Cash Claims

1.6.1 Daily Setoff of Cash Claims

Eurex Clearing AG shall set off all cash claims of the same currency under the CCP Transactions concluded pursuant to this Chapter vis-à-vis the Clearing Members on a daily basis; such claims not being fulfilled against security deliveries.

For the declaration of the setoff, Chapter I, Number 1.4.2 shall apply.

1.7 Sub-Part Emergencies

- (1) The Executive Board of Eurex Clearing AG may adopt a resolution in response to an Emergency ("Emergency Resolution") which shall supersede and supplant all contrary or inconsistent resolutions or provisions of Chapter VIII of the Clearing Conditions, except for this provision. In case of urgent matters, such decision may be taken by a senior officer generally appointed by the Executive Board of Eurex Clearing AG for such purposes provided that the decision by such officer is afterwards approved by the Executive Board of Eurex Clearing AG.
- (2) As used herein, the term "Emergency" shall include, without limitation,
- a) the occurrence of an event or circumstance in which, as determined by Eurex Clearing AG, market condition is likely to have an effect on the ability of Eurex Clearing AG to arrange for a fair and orderly settlement, and that absent action, the functioning of the clearing system operated by Eurex Clearing AG pursuant to the provisions of Chapter VIII of the Clearing Conditions is likely to be impaired,
 - b) a banking moratorium shall have been declared in respect of a Clearing Member holding a CD Clearing License by the United States Federal or New York State authorities.

- (3) Except as otherwise stated in an Emergency Resolution adopted hereunder or a respective Emergency action, the powers exercised by Eurex Clearing AG under this provision shall be in addition to and not in derogation of authority granted elsewhere in these Clearing Conditions to Eurex Clearing AG.

Part 2

Clearing of OTC Credit Derivatives Transactions

The following subparts shall rule the clearing of OTC Credit Derivatives transactions included in the clearing by Eurex Clearing AG.

2.1 Sub-Part: General Provisions

2.1.1 Applicable Sections

The "General Provisions" of Chapter VIII Part 1 apply to all OTC credit derivatives transactions to be included in the clearing and settlement by Eurex Clearing AG ("OTC Credit Derivatives Transactions") unless specific rules set forth in this Part 2 of Chapter VIII, which deviate from the "General Provisions" set out in Chapter VIII Part 1, apply to the respective OTC Credit Derivatives Transactions.

2.1.2 Consultation of Clearing Members/ Committees

2.1.2.1 Determinations of Transactions for Clearing

In consultation with the shareholders of Credit Distribution and Service Company GmbH ("CDS Company"), Eurex Clearing AG determines which Product Types of OTC Credit Derivatives Transactions may be included in the clearing. Eurex Clearing AG shall publish the Product Types of OTC Credit Derivatives Transactions, which are included in the clearing, electronically to the Clearing Members by making the relevant Product Types available on the website of Eurex Clearing AG (www.eurexclearing.com).

2.1.2.2 Consultation of Committees

Eurex Clearing AG will establish committees consisting of Clearing Members holding a CD Clearing License for the following subjects related to the clearing of OTC Credit Derivatives Transactions (each a "CDS Market Committee"):

1. Risk matters (CDS Market Committee "Risk");
2. Amendments to the Clearing Conditions relating to the clearing of OTC Credit Derivatives Transactions (CDS Market Committee "Clearing Conditions"); and
3. Operational matters (CDS Market Committee "Operations").

Eurex Clearing AG will consult the relevant CDS Market Committee before taking a decision on any material amendments to its processes or methods, or to the Clearing Conditions, relating to the matters 1. to 3. above as well as in the cases where the Clearing Conditions expressly provide for a consultation of a CDS Market Committee before any action is taken.

2.1.3 References to ISDA Documentation / Representations

- (1) The following standard market documentation which has been developed for documenting credit derivatives and published by the International Swaps and Derivatives Association, Inc. ("ISDA") is referenced in these Clearing Conditions in accordance with items a) to e) below:
 - a) The provisions and definitions of the 2003 ISDA Credit Derivatives Definitions (the "2003 Definitions") as supplemented by the May 2003 Supplement and the 2005 Matrix Supplement to the 2003 Definitions (the "May 2003 Supplement" and "2005 Matrix Supplement"), and by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 Definitions and (the "2009 Supplement"; the 2003 Definitions as supplemented by the May 2003 Supplement, the 2005 Matrix Supplement and the 2009 Supplement, including the Rules^{CDD} and Credit Derivatives Auction Settlement Terms^{CDD} referred to therein, are hereinafter referred to as the "Credit Derivatives Definitions").
 - b) The Credit Derivatives Definitions shall be incorporated by reference into this Chapter VIII of the Clearing Conditions to the extent that (i) explicit reference is made to such provisions or (ii) any terms defined in the Credit Derivatives

Definitions are marked in these Clearing Conditions by adding the three letters "CDD" as superscript and (iii) any capitalised terms are used in the provisions or definitions of the Credit Derivatives Definitions incorporated in accordance with (i) and (ii) above. Any terms marked by adding the three letters "CDD" as superscript as well the capitalised terms referred to under (iii) above shall have the meaning assigned to such terms in the Credit Derivatives Definitions, to the extent such terms are not otherwise defined herein.

- c) Any reference in the Credit Derivatives Definitions to:
 - a "Confirmation" shall be a reference to the provisions of this Chapter VIII, Part 2 of the Clearing Conditions as applicable to the relevant CCP Transaction and as supplemented by the relevant OTC Trade Event Report;
 - a "Credit Derivatives Transaction" shall be a reference to a CCP Transaction entered into pursuant to this Sub-Part 2.1 of Chapter VIII of the Clearing Conditions unless expressly stated otherwise in this Chapter VIII.
 - d) In case of any inconsistency between the Credit Derivatives Definitions and the Clearing Conditions of Eurex Clearing AG, these Clearing Conditions will govern.
 - e) Notwithstanding, and without prejudice to the fact, that the Clearing Conditions (including this Subpart 2.1 of Chapter VIII) shall be governed by the law of the Federal Republic of Germany, market standard credit derivative terms contained in the definitions and provisions of the Credit Derivatives Definitions incorporated into these Clearing Conditions by reference pursuant to this Paragraph 1 and Paragraph 3 as well as in the provisions and definitions set forth in Chapter VIII Numbers 2.1.5, 2.1.13, 2.1.15, 2.1.16, 2.1.16.1, 2.1.16.2, 2.1.16.3 and 2.1.16.4 as well as the Sub-parts 2.2 and 2.3 shall be interpreted in accordance with international market practice of credit derivative transactions and shall be given the same meaning as those terms would have in English law governed credit derivative transactions documented on the basis of documentation published by ISDA.
- (2) Section 9.1 (Additional Representations and Agreements of the Parties) of the Credit Derivative Transactions shall be incorporated in the Clearing Conditions and apply to Clearing Members holding a CD License and Eurex Clearing AG.

2.1.4 Granting of the Clearing License

With respect to the clearing of OTC Credit Derivatives transactions, only one form of Clearing License will be issued (named "Credit Derivatives Clearing License" or "CD Clearing License") which forms a subgroup of an OTC Clearing License (Chapter VIII Number 1.1.1 of the Clearing Conditions) and which entitles the holder thereof to clear its own transactions, transactions of its Registered Customers and customers' transactions.

2.1.4.1 Prerequisites of the Clearing License

- (1) With regard to the prerequisites to be fulfilled within the scope of the granting of the CD Clearing License, Chapter I Number 2.1 Paragraph 3 and Paragraph 4 as well as Number 2.2 except for Number 2.2. Paragraph 4 b), g), and h) of the Clearing Conditions applies.
- (2) In addition to paragraph 1 the institution applying for a clearing license shall meet the following requirements:
 - a) Payment of the contribution to a separate Clearing Fund regarding OTC Credit Derivatives transactions according to Chapter VIII Number 2.1.7.1 ("Credit Clearing Fund") of the Clearing Conditions.
 - b) Evidence shall be provided regarding the participation within the central settlement service for over-the-counter (OTC) credit derivatives transactions, including the participation within the Central Payment Service or equivalent services of the relevant Approved Trade Source System and granting of the appropriate authorization to Eurex Clearing AG for purposes of capturing and maintaining records by Eurex Clearing AG vis-à-vis an Approved Trade Source System, provided this is necessary for the clearing of transactions named in the following Sub-Parts.

In case Eurex Clearing AG has, on written request of the CM, explicitly allowed the CM to use instead of its own accounts or of its own access to the Central Payment Service with an Approved Trade Source System the accounts and / or the access to the Central Payment Service of a Registered Customer with an Approved Trade Source System, the CM shall provide to Eurex Clearing AG an appropriate authorization of the Registered Customer.

- c) Evidence shall be provided for an account with CLS Bank International to perform cash payments resulting out of Fixed Payments (Chapter VIII Number 2.1.15 of the Clearing Conditions) and Credit Events (Chapter VIII Number 2.1.16 of the Clearing Conditions).

Eurex Clearing AG may, upon written application, allow the use of accounts of a correspondent bank having a cash account with CLS Bank International and which is recognised by Eurex Clearing AG.

- d) Execution of a separate standard Daily Evaluation Price Document (Chapter VIII Number 2.1.9 b) of the Clearing Conditions).
- e) Execution of a separate standard Data and Services Supplement.

2.1.5 Novation Criteria regarding OTC Credit Derivatives Transactions

- (1) With regard to the novation of OTC Credit Derivatives Transactions criteria set out in the following provision shall apply in addition to the novation criteria pursuant to Chapter VIII Number 1.2.2 of the Clearing Conditions.
- (2) The additional novation criteria regarding OTC Credit Derivatives Transactions are:
 - OTC Credit Derivatives Transactions must have a remaining term to the Scheduled Termination Date^{CDD} that is greater or equal to one business day at the time when such transactions are entered by an Approved Trade Source System on behalf of Clearing Members and / or their Registered Customers into the system of Eurex Clearing AG;
 - The date of novation shall be not earlier than three business days after the Original Trade Date (Chapter VIII Number 2.1.11 of the Clearing Conditions) and not earlier than two business days after the date on which the OTC Credit Derivatives Transaction was matched by the relevant Approved Trade Source System.
 - The date of novation shall be at least two business days before the next Fixed Rate Payer Payment Date pursuant to Chapter VIII Number 2.1.15 Paragraph 1 and 2 of the Clearing Conditions.
 - In case a Credit Event^{CDD} (other than a Restructuring^{CDD} Credit Event^{CDD}) and an Auction^{CDD} have been Resolved^{CDD} by an ISDA Credit Derivatives Determinations Committee^{CDD} and no Auction Cancellation Date^{CDD} has occurred, the date of novation of an OTC Credit Derivatives Transaction that is affected by such Credit Event^{CDD} (including an OTC Credit Derivatives Transaction that is linked to an

index a component of which is affected by such Credit Event^{CDD}) shall be at least one business day prior to each of the Auction Date^{CDD} and the relevant Scheduled Termination Date.

- In case a Credit Event^{CDD} (other than a Restructuring^{CDD} Credit Event^{CDD}) has been Resolved^{CDD} which is not followed by an Auction^{CDD}, (a) the Original Trade Date of an OTC Credit Derivatives Transaction has occurred on or prior to the Auction Cancellation Date^{CDD} or on or prior to the date that is 21 calendar days following the No Auction Announcement Date^{CDD}, if any, as applicable, and (b) the date of novation occurs at least one business day prior to the No Auction Announcement Date^{CDD}.
 - In case a Restructuring^{CDD} Credit Event^{CDD} was Resolved^{CDD}, the date of novation shall be at least one business day prior to the Exercise Cut-off Date^{CDD} applicable to the Seller (Chapter VIII Number 2.1.16 Paragraph 4 of the Clearing Conditions)
 - Any applicable product-specific novation criteria set out in the following Subparts of this Part 2 of Chapter VIII of the Clearing Conditions are met.
- (3) The relevant OTC Credit Derivatives Transaction will be replaced by two CCP Transactions and, if applicable, by one or two CCP Customer Transactions (Chapter VIII Number 1.2.1 to Number 1.2.4 of the Clearing Conditions).

2.1.6 Netting Agreement

Eurex Clearing AG may agree with a Clearing Member upon netting of claims under CCP Transactions pursuant to Chapter VIII. In this case, the netting shall be carried out on basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member (Offset Process).

Such agreement may be terminated by the Clearing Member with the effect on the business day following the receipt of termination notice by Eurex Clearing AG.

2.1.6.1 CCP Transactions included in the Offset Process

All CCP Transactions occurred on or before the Netting Date (Chapter VIII Number 2.1.6.4 of the Clearing Conditions) are eligible for netting. The claims under the CCP Transactions are required to be able to be netted.

Claims under CCP Transaction can be netted if the CCP Transactions have been defined for netting by the respective Clearing Member. The definition of the CCP Transactions shall take place pursuant to Number 2.1.6.2 by the Clearing Members with determination of the netting units. The aforementioned declaration shall be submitted in a form and within a deadline determined by Eurex Clearing AG.

2.1.6.2 Netting Units

- (1) A netting unit shall be generated from the CCP Transactions of the same Product Type which are identical in all material aspects other than the notional amount.

A netting unit shall be defined by the following characteristics:

- the account assigned under Chapter VIII Number 1.4.1 or individual CCP Transactions marked by the respective Clearing Member or Registered Customer for netting, and
 - the novation criteria set out in Number 2.1.5 (which shall apply mutatis mutandis) are fulfilled.
- (2) The claims resulting from the CCP Transactions supposed to be set off shall be summarized as netting units within which the netting takes place.

2.1.6.3 Netting Procedure

- (1) Within the chosen netting units, the claims under the CCP Transactions selected for netting shall, as far as possible, be set off with each other. Upon closing of the netting, all claims resulting from CCP Transactions in the relationship between Eurex Clearing AG and the Clearing Member that were set-off are fulfilled.
- (2) The remaining claims under CCP Transactions which cannot be netted pursuant to Chapter VIII Number 2.1.6.2 shall be novated to one single CCP Transaction of the same Product Type with the accumulated notional of the novated CCP Transactions. Due to the novation the remaining CCP Transaction shall be discharged and replaced by one CCP Transaction.

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- (3) As soon as the netting and the novation of CCP Transactions has been concluded, Eurex Clearing AG shall inform the Clearing Member about the resulting CCP Transactions.

2.1.6.4 Netting Date

The netting shall generally take place in the system of Eurex Clearing AG on each date on which novation occurs pursuant to Chapter VIII Number 1.2.3.3 (each, a "Netting Date").

2.1.7 Clearing Fund regarding OTC Credit Derivatives Transactions

2.1.7.1 Calculation of the Contribution to the Credit Clearing Fund

- (1) Irrespective of the provision of other margin, each Clearing Member shall be obligated to pay a contribution to the Credit Clearing Fund. The amount of the contribution to be provided by each Clearing Member shall be determined by Eurex Clearing AG according to the method of calculation announced by it. Basis for the calculation of the contribution to the Credit Clearing Fund are all OTC Credit Derivatives Transactions of the respective Clearing Member and its respective Registered Customer novated and cleared by Eurex Clearing AG.
- (2) The contribution to the Credit Clearing Fund calculated pursuant to Paragraph 1 shall be paid by each Clearing Member respectively with the granting of the Clearing License. It will be verified every quarter and adapted if necessary.

2.1.7.2 Provision of the Contribution to the Credit Clearing Fund

- (1) The contribution to the Credit Clearing Fund shall be provided by cash or securities collateral. Chapter I Number 2.2 Paragraph 3, Clause 7 to 9 of the Clearing Conditions shall apply accordingly.
- (2) Each Clearing Member shall explicitly give notice to Eurex Clearing AG regarding every collateral contribution that such contribution is dedicated to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7.1 of the Clearing Conditions to enable Eurex Clearing AG to register such collateral accordingly.

2.1.7.3 Contributions of Eurex Clearing AG to the Credit Clearing Fund

Eurex Clearing AG may use funds from its annual surplus to set aside reserves for the Credit Clearing Fund in order to contribute to the fulfilment of the obligations of any Clearing Member that may default on its obligations. In case such reserves are to be used Eurex Clearing AG will allocate these reserves as follows:

- (a) determination of the total margin requirements of all Clearing Members holding a clearing license pursuant to Chapter VIII and which are not in default due to Chapter I Number 7.1 of the Clearing Conditions as well as determination of the total margin requirements of all Clearing Members holding a clearing license pursuant to Chapter II to Chapter VII and which are not in default due to Chapter I Number 7.1 of the Clearing Conditions;
- (b) sum up of each of the total margin requirements determined pursuant to Sub-paragraph (a) ("Overall Margin Requirement") and calculate the ratio of each total margin requirement under Sub-paragraph (a) in relation to the Overall Margin Requirement;
- (c) usage of reserves by allocating them to the Clearing Fund and the Credit Clearing Fund, in each case in the amount derived from the ratio of the relevant total margin requirement under Sub-paragraph (a) in relation to the Overall Margin Requirement calculated pursuant to Sub-paragraph (b).

2.1.7.4 Realisation of the Credit Clearing Fund

- (1) The contribution to the Credit Clearing Fund provided by a Clearing Member may be used to cover the financial consequences of a default (Chapter VIII Number 2.1.8 of the Clearing Conditions) in the event of non-fulfilment of the obligations from clearing CCP Transactions by itself or by any other Clearing Member, also for purposes of curing financial consequences from occurrence of an event resulting in termination of the clearing license of this or another Clearing Member pursuant to Chapter I Number 2.4 Paragraph 2 of the Clearing Conditions. Clause 1 shall also apply with regard to the compensation of claims of Eurex Clearing AG vis-à-vis Clearing Members which have occurred in connection with the termination of a clearing license pursuant to Chapter I Number 2.4 Paragraph 2 item c and item d in connection with Chapter I Number 8.2.5 and 8.2.6 Paragraph 2 of the Clearing Conditions.

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- (2) In case any compensation must be provided for any financial consequences within the meaning of Paragraph 1, Eurex Clearing AG shall – for purposes of compensation of its claims vis-à-vis Clearing Members – realise securities in accordance with the following order of priority:
1. Collateral of the obligated Clearing Member other than that indicated in Chapter VIII Number 2.1.7.1 and Chapter VIII Number 2.1.7.2 of the Clearing Conditions,
 2. the contribution to the Credit Clearing Fund of the obligated Clearing Member pursuant to Chapter VIII Number 2.1.7.1 and Chapter VIII Number 2.1.7.2 of the Clearing Conditions and any surplus pursuant to Chapter I Section 6.2 Paragraph 2 No. 1 and No. 2 of the Clearing Conditions,
 3. The reserves of Eurex Clearing AG pursuant to Chapter VIII Number 2.1.7.3 of the Clearing Conditions.
 4. the contributions of all other Clearing Members to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions which shall be realised on a pro rata basis.
- (3) If a defaulting Clearing Member (Chapter I Number 7.1 of the Clearing Conditions) provides the payment owed after Eurex Clearing AG has realised the contributions of other Clearing Members to the Credit Clearing Fund (Chapter VIII Number 2.1.7.4 Paragraph 2 of the Clearing Conditions), Eurex Clearing AG shall replenish the contributions of the other Clearing Members with this payment on a pro rata basis, up to the amount of effected realisation at the most.
- (4) Furthermore, the contribution to the Credit Clearing Fund provided by a Clearing Member pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions may also be used to cover the financial consequences of a default by itself or by any other Clearing Member with respect to their obligations arising out of the clearing of OTC Credit Derivatives Transactions.
- (5) The contribution provided by a Clearing Member to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions may also be used to cover the financial consequences of a circumstance which leads to a termination of the clearing license of this or of another Clearing Member pursuant to Chapter I Number 2.4 of the Clearing Conditions.
- (6) In such cases, Paragraphs 1 to 3 above and Chapter VIII Numbers 2.1.7.6 and 2.1.7.7 of the Clearing Conditions shall apply mutatis mutandis.

2.1.7.6 Replenishment of Contributions to the Credit Clearing Fund

Any realised contribution to the Credit Clearing Fund shall be replenished by the Clearing Member to its original amount within ten business days. This obligation to replenish shall apply to a Clearing Member once only, if the Clearing Member terminates its Clearing License by means of a written statement to Eurex Clearing AG no later than on the fifth business day following such realisation.

2.1.7.7 Release of the Contributions to the Credit Clearing Fund

- (1) If Eurex Clearing AG or a Clearing Member terminates the Clearing Membership, Eurex Clearing AG shall release the contribution of the respective Clearing Member to the Credit Clearing Fund one month after notice is given of such termination, but in any event not earlier than one month after the day upon which all OTC Credit Derivatives Transactions in the accounts for which the respective Clearing Member handles the Clearing have been cleared. The same shall apply mutatis mutandis to collateral pursuant to Chapter I Number 2.2 Paragraph 3 of the Clearing Conditions.
- (2) If another Clearing Member holding a CD Clearing License is in default at the time of the termination of a CD Clearing License by a Clearing Member, or if another Clearing Member holding a CD Clearing License falls into default prior to the date on which a contribution to the Credit Clearing Fund is to be released, the release, contrary to Paragraph 1, shall only be effected after all obligations of such defaulting Clearing Member to Eurex Clearing AG have been satisfied.

2.1.8 Default of Clearing Member

2.1.8.1 Event of Default

Instead of Chapter I Number 7.1 Paragraph 5 of the Clearing Conditions the following applies:

- (1) If a Clearing Member is in default pursuant to Chapter I Section 7.1 of the Clearing Conditions, Eurex Clearing AG will not perform novation of Original OTC Transactions of the Clearing Member in default pursuant to Chapter VIII Number 1.2 of the Clearing Conditions. At the same time, Eurex Clearing AG will not perform novation of Original OTC Transactions of Registered Customers with the concerned Clearing Member. All existing CCP Transactions shall be closed by the

respective Clearing Member in accordance with Eurex Clearing AG by concluding an inverse Original OTC Transaction (the "Closing") or be transferred to another Clearing Member. The Clearing Member in default shall immediately notify its Registered Customers thereof, so that they can make preparations for transfer of their CCP Transactions to another Clearing Member. Eurex Clearing AG shall monitor the closing respectively transfer of the open CCP Transactions.

- (2) If the Closing respectively transfer of CCP Transactions has not been concluded by the respective Clearing Member within a certain adequate period of time set by Eurex Clearing AG in individual cases and in accordance with the instructions of Eurex Clearing AG, Eurex Clearing AG may carry out the Closing of these CCP Transactions on behalf of the Concerned Clearing Member after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may take such action without consultation. Insofar Chapter I Number 8.1 of the Clearing Conditions applies mutatis mutandis.
- (3) If the Closing of CCP Transactions pursuant to Paragraph 2 could not be concluded by Eurex Clearing AG within a reasonable period of time, the Closing of CCP Transactions may be effected in the course of an auction determined by Eurex Clearing AG after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may make such determination without consultation. Such auction will take place amongst Clearing Members as well as Registered Customers. The execution of the auction and the fact, that an auction is used in order to close CCP Transactions, shall be announced in due time.
- (4) If the Closing of CCP Transactions pursuant to Paragraph 2 and Paragraph 3 above could not be performed successfully, Eurex Clearing AG may transfer the remaining CCP Transactions on a pro rata basis to Clearing Members after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may take such action without consultation. Basis for the pro rata transfer is the net outstanding nominal in the respective opposite CCP Transactions of the non-defaulting Clearing Member booked on their position accounts. Transfer will be based on the daily evaluation price (Chapter VIII Number 2.1.9 of the Clearing Conditions) of the previous business day determined by Eurex Clearing AG, to which a spread shall be added, or from which a spread shall be subtracted, depending on whether the remaining CCP Transactions are buy or sell transactions.

2.1.9 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price according to the true market conditions of the respective CCP Transaction and under consideration of its risk assessment. When determining the daily evaluation prices the procedure described below shall apply:

- a) The daily evaluation prices will be determined on the basis of the midpoint of bid-ask spreads determined according to the market conditions of the respective CCP Transaction and under consideration of the risk assessment of Eurex Clearing AG.
- b) Each Clearing Member holding a CD Clearing License is obliged to provide to Eurex Clearing AG on each business day not later than 5.p.m CET for each CCP Transaction in which it holds a position bid-ask spreads which will be taken into account, amongst other data sources, by Eurex Clearing AG to determine the daily evaluation price. With respect to the fulfillment of this obligation, incentives and penalties will apply in accordance with a separate standard document to be executed by each Clearing Member (the "Daily Evaluation Price Document").
- c) In case no daily evaluation price can be determined pursuant to Item a, the daily evaluation price shall be determined on basis of a theoretical price model.
- d) If it is not possible to determine a daily evaluation price pursuant to Item a and Item c or if the daily evaluation price so determined would not reflect the market conditions, Eurex Clearing AG shall determine the daily evaluation price at its equitable discretion after consultation with the CDS Market Committee "Risk" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may make such determination without consultation.

2.1.10 Margin Requirements

- (1) With regard to the obligation to provide margin, Chapter VIII Number 1.3 applies in addition to the following provisions.
- (2) Eurex Clearing AG will calculate the Mark to Market Margin as the difference between the present values based on the price agreed between the buyer and the seller and the daily evaluation prices, whereby future cash flow of premiums (Fixed Amounts) will be discounted. For this purpose Eurex Clearing AG will use a formula in accordance with market standards.
- (3) Eurex Clearing AG will determine margin to cover the upcoming fixed premium

payment (Fixed Payment) for every CCP Transaction daily ("Accrued Premium Margin"). Eurex Clearing AG will request the Accrued Premium Margin from the buyer of a CCP Transaction daily. The Accrued Premium Margin is set to zero as soon as the respective fixed premium payment (Fixed Payment) has been performed vis-à-vis Eurex Clearing AG.

- (4) Eurex Clearing AG will determine margin to cover risks resulting from a potential or actual Credit Event^{CDD} ("Credit Event Margin"). The Credit Event Margin will be calculated on an account level and considers the credit events for the riskiest Reference Entities. Eurex Clearing AG will request the Credit Event Margin from the seller of a CCP Transaction daily.

2.1.11 General Definitions and Terms relating to CCP Transactions

- (1) The "Original Trade Date", the "Effective Date", and the "Scheduled Termination Date" shall be the dates shown as such for the relevant CCP Transaction in the OTC Trade Event Report unless otherwise defined in the following Subparts of Part 2 of these Clearing Conditions with respect to a specific Product Type of CCP Transactions. The Effective Date and the Scheduled Termination Date shall not be subject to adjustment in accordance with any Business Day Convention^{CDD} unless specified otherwise in Part 2 of these Clearing Conditions. Any reference in the Credit Derivatives Definitions to the "Trade Date" shall be deemed to be a reference to the Original Trade Date and any reference in the Credit Derivatives Definitions to an "Extension Date" shall be deemed to be a reference to the "Scheduled Termination Date".
- (2) "CD Business Day" shall be each business day defined as such in this Part 2 of Chapter VIII of the Clearing Conditions for the relevant Product Types. Any reference in the Credit Derivatives Definitions to a "Business Day" shall be a reference to a CD Business Day.
- (3) "Relevant City Business Day" shall have the meaning given to it in the Rules^{CDD}.
- (4) Section 2.11 of the Credit Derivatives Definitions (Business Day Convention) shall apply mutatis mutandis except for Section 2.11 (c) which shall read as follows: If the last day of any period calculated by reference to calendar days in Chapter VIII, Part 2 of the Clearing Conditions or in any provisions or definitions of the Credit Derivatives Definitions incorporated herein pursuant to Section 2.1.3. falls on a day that is not a CD Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day

Convention^{CDD}, provided that if the last day of any period is the Credit Event Backstop Date^{CDD} or the Succession Event Backstop Date^{CDD}, such last day shall not be subject to any adjustment in accordance with the any Business Day Convention.

- (5) When used in the Credit Derivatives Definitions, the term "Affiliate" means, in relation to any person, any entity controlled, directed or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.
- (6) Section 1.10 (*Requirements Regarding Notices*) of the Credit Derivatives Definitions shall apply mutatis mutandis unless provided for otherwise in this Part 2 of Chapter VIII.

2.1.12 Calculation Agent and Eurex Determinations Committee

- (1) Eurex Clearing AG shall act as calculation agent (the "Calculation Agent") with respect to all CCP Transactions. The Calculation Agent shall be responsible for the calculations and determinations that are expressly assigned to it in these Clearing Conditions. The "Calculation Agent City^{CDD}" shall be Frankfurt am Main. The Calculation Agent shall consult the Clearing Members holding a CD Clearing License before making any determinations if such consultation is expressly provided for in this Chapter VIII.
- (2) Where this Chapter VIII provides that a determination is made by a Eurex Determinations Committee, the relevant determination will be made by a committee established by Eurex Clearing AG (a "Eurex Determinations Committee") which consists of representatives of the Clearing Members holding a CD Clearing License and a representative of Eurex Clearing AG and the decisions of which will be made in accordance with the respective statutes published by Eurex Clearing AG on its website www.eurexclearing.com after consultation with the Clearing Members.
- (3) In the absence of a manifest error, any determinations made by the Calculation Agent or a Eurex Determinations Committee or an ISDA Credit Derivatives Determinations Committee^{CDD} shall be binding on all parties.

2.1.13 Reference Entity and Succession Events; Substitute Reference Obligations

- (1) "Reference Entity" means the entity or entities defined as such in Chapter VIII Number 2.2.2.1 Paragraph 7 and 2.3.2.1 Paragraph 7 with respect to a specific Product Type of CCP Transaction or, if not so defined, the entity or entities specified as such in the OTC Trade Event Report.
- (2) Any Successor^{CDD} to a Reference Entity in respect of which ISDA publicly announces on or following the Original Trade Date that the relevant Credit Derivatives Determinations Committee^{CDD} has Resolved^{CDD}, in respect of a Succession Event Resolution Request Date^{CDD}, a Successor^{CDD} in accordance with the Rules^{CDD} shall, in each case, be the Reference Entity for the relevant CCP Transaction. Where more than one Successor^{CDD} has been identified, the following shall apply:
- a) in case of Single Name CDS, the relevant CCP Transaction will be divided into the same number of CCP Transactions as there are Successors^{CDD} as determined pursuant to Section 2.2 of the Credit Derivatives Definitions and paragraph (3) below,
- b) in case of Index CDS the CCP Transaction will be adjusted in accordance with the provisions set out in Chapter VIII Sub-Part 2.2.
- (3) Only the Credit Derivatives Determinations Committee^{CDD} may determine a Successor^{CDD} and the Relevant Obligation^{CDD} and the Calculation Agent shall not be responsible for determining whether the relevant thresholds set forth in Section 2.2.(a) of the Credit Derivatives Definitions have been met, or which entity qualifies as Successor^{CDD} under Section 2.2(a)(vi) of the Credit Derivatives Definitions or which Sovereign and/or entity qualifies as Successor^{CDD} under Section 2.2(h) of the Credit Derivatives Definitions, as applicable unless the responsible Credit Derivatives Determination Committee^{CDD} decides not to deliberate a potential occurrence of a Succession Event^{CDD}, in which case, upon request of a Clearing Member that is a Buyer or a Seller under a CCP Transaction affected by the potential Succession Event^{CDD}, a Eurex Determinations Committee may determine the occurrence of a Succession Event^{CDD} and a Successor^{CDD} in accordance with Section 2.2 of the Credit Derivatives Definitions.
- (4) "Succession Event Backstop Date^{CDD}" shall have the meaning given to it in Section 2.2(i) of the Credit Derivatives Definitions provided that (i) the Succession Event Backstop Date^{CDD} determined pursuant to Section 2.2(i)(A) shall be determined by reference to Greenwich Mean Time, and provided that (ii) Section 2.2(i)(B)(I) shall not apply, and further provided that (iii) Section 2.2(i)(B)(II) shall apply mutatis mutandis whereas any references to a Succession Event Notice shall be replaced by a reference to "Eurex Succession Resolution Request", and provided that (iv) for purposes of any determination as to whether a Succession Event^{CDD} has occurred in respect of a Reference Entity or an

Obligation^{CDD} thereof at any time up to but excluding 20 June 2009 or if a Succession Event Resolution Request Date^{CDD} occurs before 20 June 2009, the Succession Event Backstop Date^{CDD} with respect to such Reference Entity shall be deemed to be the Effective Date. The Succession Event Backstop Date^{CDD} shall not be subject to adjustment in accordance with any Business Day Convention^{CDD} unless specified otherwise in Part 2 of Chapter VIII.

- (5) "Eurex Succession Event Resolution Request Date" means the first day, on which Eurex Clearing AG receives a Eurex Succession Resolution Request. To the extent that the Clearing Conditions or the Credit Derivatives Definitions contain references to the Succession Event Resolution Request Date^{CDD} the relevant provision shall apply mutatis mutandis to a Eurex Succession Event Resolution Request Date and a Eurex Determinations Committee unless the context requires otherwise. "Eurex Succession Resolution Request" means a request which, if a responsible Credit Derivatives Determinations Committee^{CDD} decides not to deliberate whether a Succession Event^{CDD} has occurred, is made by a Clearing Member acting as Buyer or Seller to a CCP Transaction affected by the potential Succession Event^{CDD} (but not by a Registered Customer) by sending a letter, fax or e-mail to Eurex Clearing AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany (fax no. +49 (0) – 69 – 211-18440; e-mail: eurexcreditclear@eurexclearing.com) which includes a reasonably detailed description of all the issues that the respective Clearing Member believes the relevant Eurex Determinations Committee should deliberate.
- (6) Eurex Clearing AG in its capacity as Calculation Agent will make the determinations to be made by the Calculation Agent pursuant to Section 2.2(e)(iii) of the Credit Derivatives Definitions (required modification of the terms and conditions if an original CCP Transaction will be replicated in each CCP Transaction that is a New OTC Credit Derivatives Transaction) after consultation with the Clearing Members.
- (7) A Substitute Reference Obligation^{CDD} will be determined by the Calculation Agent (in connection with a Succession Event^{CDD} or otherwise pursuant to Section 2.30 of the Credit Derivatives Definitions) on the basis of a resolution made by the Credit Derivatives Determinations Committee^{CDD} or, to the extent the relevant Credit Derivatives Determinations Committee^{CDD} has not made such a determination and upon request by a Clearing Member, in its discretion after consultation with the Clearing Members holding a CD Clearing License.

2.1.14 Initial Payment

If an initial payment payer ("Initial Payment Payer") and an initial payment amount ("Initial Payment Amount") are specified with respect to an OTC Credit Derivatives Transaction submitted for clearing which provides for an obligation to make an up-front payment (an "Initial Payment"), the obligation to make such Initial Payment shall remain the direct obligation of the Initial Payment Payer of the original OTC Credit Derivatives Transaction to the other party of the OTC Credit Derivatives Transaction in accordance with the terms of the Original OTC Credit Derivatives Transaction and Eurex Clearing AG shall have no obligation to make or guarantee such Initial Payment. Regardless of the terms of the original OTC Credit Derivatives Transaction, the CCP Transaction shall have an Initial Payment Amount of zero.

2.1.15 Fixed Payments

- (1) The Fixed Rate Payer will make Fixed Payments to the Fixed Rate Receiver in accordance with Paragraphs 2 to 5 below and Chapter VIII Number 2.2.2.1 and 2.3.2.1 of the Clearing Conditions.

"Fixed Rate Payer" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Receiver Eurex Clearing AG shall be the Fixed Rate Payer.

"Fixed Rate Receiver" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Payer Eurex Clearing AG shall be the Fixed Rate Receiver.

- (2) "Fixed Rate Payer Payment Date" means the date or dates specified as such in the Subparts of this Part 2 of Chapter VIII of these Clearing Conditions with respect to the relevant Product Type of CCP Transactions, or if no Fixed Rate Payment Dates are specified in such Subparts, the date or dates which can be derived from the information on the payment schedule and the payment frequency provided in the OTC Trade Event Report.
- (3) The "Fixed Amount" payable pursuant to Paragraph (1) means the amount shown as such for a Fixed Rate Payer Date or for the related Fixed Payer Calculation Period in the OTC Trade Event Report or, if an amount is not so shown, an amount calculated on a formula basis for a Fixed Rate Payer Date or for a related Fixed Rate Payer Calculation Period as follows:

$$\text{Fixed Amount} = \text{Fixed Rate Payer Calculation Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

"Fixed Rate" means the rate shown as such in the relevant OTC Trade Event Report.

"Fixed Rate Day Count Fraction" means the fixed rate day count fraction specified as such in the following Subparts of this Part 2 of Chapter VIII of the Clearing Conditions with respect to the relevant Product Type of CCP Transactions.

"Fixed Rate Payer Calculation Amount" means the amounts shown as such in the OTC Trade Event Report or, if an amount is not so shown, the Floating Rate Payer Calculation Amount (Chapter VIII, Section 2.1.16.1).

"Fixed Rate Payer Calculation Period" means each period from, and including, one Fixed Rate Payer Period End Date to, but excluding, the next following Fixed Rate Payer Period End Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the Effective Date, and (b) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of the Clearing Conditions).

"Fixed Rate Payer Period End Date" means each date defined as such in the following Subparts of this Part 2 or, if not so defined, each date shown with respect to the relevant CCP Transaction in the OTC Trade Event Report or, if no such dates are defined or shown, each Fixed Rate Payer Payment Date.

- (4) For the payment of a Fixed Amount which is due on the next Fixed Rate Payer Payment Date after the date when novation of the relevant OTC Credit Derivatives Transactions has taken place (Chapter VIII Number 1.2.3), the respective Clearing Member shall be a contracting party vis-à-vis Eurex Clearing AG and shall pay in its capacity as Fixed Rate Payer to Eurex Clearing AG as Fixed Rate Receiver an amount equal to the Fixed Amount which would have been due on such Fixed Rate Payer Payment Date (calculated for the entire Fixed Rate Payer Calculation Period) under the Original OTC Transaction. Eurex Clearing AG in its capacity as Fixed Rate Payer shall pay out this Fixed Amount to a Clearing Member under another CCP Transaction under which such Fixed Amount is due and payable.

If the payment of the Fixed Amount is due on or before the business day when novation of an OTC Credit Derivative Transaction takes place (Chapter VIII Number 1.2.3 of the Clearing Conditions), this payment shall be an obligation that is only governed by the contractual arrangements of the Original OTC Transaction and not subject to the provisions of these Clearing Conditions.

- (5) If an Auction Final Price^{CDD} has been determined and provided that an Auction Cancellation Event^{CDD} does not occur, with effect from the Auctional Final Price Determination Date^{CDD}, paragraph (a) and (b), as applicable, of Schedule 2 to the

Credit Derivatives Auction Settlement Terms^{CDD} shall apply to the accrual of Fixed Rates and the payment of Fixed Amounts.

2.1.16 Credit Events (Floating Rate Payments)

- (1) Upon the occurrence of a Credit Event^{CDD} applicable to a CCP Transaction and upon satisfaction of all of the Conditions of Settlement with respect to such CCP Transaction, the parties to the relevant CCP Transaction shall perform their respective obligations in accordance with the Auction Settlement Method (Chapter VIII Number 2.1.16.1 of the Clearing Conditions) unless settlement occurs in accordance with the Fallback Settlement Method (Chapter VIII Number 2.1.16.2 of the Clearing Conditions), as applicable.

"Floating Rate Payer" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Payer, Eurex Clearing AG shall be the Floating Rate Payer.

The Floating Rate Payer shall be the "Seller" and the Fixed Rate Payer shall be the "Buyer".

- (2) All of the "Conditions to Settlement" shall be deemed to be satisfied by the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date^{CDD}, the Physical Settlement Date (or if earlier a Delivery Date^{CDD}), or the Termination Date^{CDD}, as applicable, unless the Fallback Settlement Method applies, in which case all of the Conditions of Settlement shall be deemed to be satisfied by the delivery of a Notice of Physical Settlement by the relevant Clearing Member acting as Buyer pursuant to Chapter VIII Number 2.1.16.3 Paragraph 1.
- (3) The "Event Determination Date" shall be the Credit Event Resolution Request Date^{CDD} or the Eurex Credit Event Resolution Request Date, as applicable, and it shall occur if:
- a) with respect to a Credit Event^{CDD} other than Restructuring^{CDD},
 - the Credit Event Resolution Request Date^{CDD} or Eurex Credit Event Resolution Request Date with respect to such Credit Event^{CDD} occurred on or prior to the end of the Resolution Request Period End Date (Paragraph 7 below), which occurrence may be prior to the Original Trade Date; and
 - a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement,

as applicable, has occurred with respect to a Reference Entity (or an Obligation^{CDD} thereof) that applies to the relevant CCP Transaction; or

- b) with respect to a Restructuring^{CDD} Credit Event^{CDD},
- the Credit Event Resolution Request Date^{CDD} or a Eurex Credit Event Resolution Request Date, as applicable, with respect to such Credit Event^{CDD} occurred on or prior to the end of the Resolution Request Period End Date (Paragraph 7 below), which occurrence may be prior to the Original Trade Date; and
 - a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement, as applicable, has occurred with respect to a Reference Entity (or an Obligation^{CDD} thereof) that applies to the relevant CCP Transaction.

Sections 1.8 (c) and (d) of the Credit Derivatives Definitions shall apply.

- (4) Following a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement, as applicable, relating to a Restructuring^{CDD} Credit Event^{CDD}, Eurex Clearing AG will make a report available to the Clearing Members in its system without undue delay. Each Clearing Member acting as Buyer or as Seller may mark in the report received from, and sent back to, Eurex Clearing AG (the "CD Exercise Notice") the CCP Transactions affected by the relevant Restructuring^{CDD} Credit Event^{CDD} in relation to which they request settlement and which must be received by Eurex Clearing AG and be effective on or prior to the Exercise Cut-off Date^{CDD} (the period from the day of the report made available by Eurex Clearing AG until, and including, the Exercise Cut-off Date^{CDD} applicable to the Seller is referred to in these Clearing Conditions as the "CD Seller Exercise Period").
- (5) A CD Exercise Notice is effective on a business day if it has been received by Eurex Clearing AG until 3 p.m. CET on such business day.
- (6) Section 3.9 of the Credit Derivatives Definitions shall apply provided that (i) any reference to a "Notifying Party" shall be a reference to the relevant Clearing Member that delivers the CD Exercise Notice, and (ii) any reference to a "consultation with the parties" shall be replaced by "consultation with the Clearing Members holding a CD License". For the avoidance of doubt, any reference to a Floating Rate Payer Calculation Amount in Paragraph 14 below, shall include any Exercise Amount^{CDD}.
- (7) "Resolution Request Period End Date" means the date that is 14 calendar days after the Scheduled Termination Date.
- (8) "Eurex Credit Event Resolution Request Date" means the first date on which a Eurex

Credit Event Resolution Request is received by Eurex Clearing AG. The reference to the Credit Event Resolution Request Date^{CDD} in Section 2.19 of the Credit Derivatives Definitions shall apply mutatis mutandis also to a Eurex Credit Event Resolution Request Date. "Eurex Credit Event Resolution Request" means a request which, in the circumstances set out in Paragraph 12 below, is made by a Clearing Member acting as Buyer or Seller to a CCP Transaction affected by the potential Credit Event^{CDD} (but not by a Registered Customer) by sending a letter, fax or e-mail to Eurex Clearing AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany (fax no. +49 (0) – 69 – 211-18440; e-mail: eurexcreditclear@eurexclearing.com) which includes a reasonably detailed description of all the issues that the respective Clearing Member believes the relevant Eurex Determinations Committee should deliberate and information consistent with the definition of Publicly Available Information^{CDD}.

- (9) Section 1.30 of the Credit Derivatives Definitions shall apply mutatis mutandis whereas "DC Credit Event Announcement" shall be replaced by the term "Eurex Credit Event Announcement".
- (10) "Credit Event Backstop Date^{CDD}" shall have the meaning given to it in Section 1.23 of the Credit Derivatives Definitions provided that (i) Section 1.23(b)(i) shall not apply, (ii) Section 1.23 (b)(ii) shall apply mutatis mutandis where any references to a Credit Event Notice and to a Notice of Publicly Information shall be replaced with a reference to "Eurex Credit Event Resolution Request", and (iii) for purposes of any determination as to whether a Credit Event^{CDD} has occurred in respect of a Reference Entity or an Obligation^{CDD} thereof at any time up to but excluding 20 June 2009 or if a Credit Event Resolution Request Date^{CDD} occurs before 20 June 2009, the Credit Event Backstop Date^{CDD} with respect to such determination shall be deemed to be the Effective Date. The Credit Event Backstop Date^{CDD} shall not be subject to adjustment in accordance with any Business Day Convention.
- (11) In connection with the definitions and provisions of the Credit Derivatives Definitions relating to a Restructuring^{CDD} Credit Event^{CDD}, as incorporated in the Clearing Conditions pursuant to Chapter VIII Number 2.1.3 Paragraph 2, the term "Credit Event Notice" shall be deemed to be a reference to a "CD Exercise Notice" unless otherwise set out in these Clearing Conditions or required by the relevant context and, with respect to the delivery of Credit Event Notices, the terms "Buyer" and "Seller" shall mean a Clearing Member acting as Buyer and a Clearing Member acting as Seller, respectively.
- (12) If the Credit Derivatives Determinations Committee^{CDD} has not Resolved^{CDD} that a Credit Event^{CDD} has occurred, Eurex Clearing AG will not determine a Credit Event^{CDD} either nor shall any Clearing Member or Registered Customer be entitled to

determine the occurrence of a Credit Event^{CDD} or to issue a credit event notice (other than the CD Exercise Notice) unless the responsible Credit Derivatives Determination Committee^{CDD} has decided not to deliberate a potential occurrence of a Credit Event^{CDD}, in which case, if a Eurex Credit Event Resolution Request has been made, a Eurex Determinations Committee may determine the occurrence of a Credit Event^{CDD} (a "Eurex Committee Resolution"). For the avoidance of doubt, any Credit Event Notice^{CDD} that a party to the original OTC Credit Derivatives Transaction may have delivered to the other party prior to the novation date, shall be deemed to be not delivered.

(13) Section 2.21 of the Credit Derivative Definitions (Interpretation of Provisions) shall apply to the extent that the relevant Obligation Category^{CDD} or Obligation Characteristics^{CDD} respectively, or the relevant Deliverable Obligation Category^{CDD} or Deliverable Obligation Characteristics^{CDD} are specified in the following Subparts of this Part 2 or in the relevant OTC Trade Event Report and/or, with respect to Section 2.21(d) of the Credit Derivative Definitions, if an Obligation^{CDD} or a Deliverable Obligation^{CDD} is a Qualifying Guarantee^{CDD}.

(14) In case of a Restructuring^{CDD} Credit Event^{CDD}, Eurex Clearing AG will assign and match the relevant CD Exercise Notices on each business day as follows:

- a) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are exclusively delivered by Clearing Members acting as Buyers, Eurex Clearing AG will assign such CD Exercise Notices to Clearing Members acting as Sellers whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions between the Clearing Members acting as Buyer and Eurex Clearing AG and between Eurex Clearing AG and the Clearing Members acting as Seller qualify as "Buyer-triggered Trades".
- b) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are exclusively delivered by Clearing Members acting as Sellers, Eurex Clearing AG will assign such CD Exercise Notices to Clearing Members acting as Buyers whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions between the Clearing Members acting as Buyer and Eurex Clearing AG and between Eurex Clearing AG and the Clearing Members acting as Seller qualify as "Seller-triggered Trades".
- c) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are delivered by both Clearing Members acting as Sellers and Clearing Members acting as Buyers, Eurex Clearing AG will match the CD Exercise Notices issued by Clearing Members acting as Buyers with the CD Exercise Notices issued by Seller as far as the Floating Rate Payer Calculation Amounts of the relevant CCP

Transactions are equal on a pro rata basis and to the extent so matched the relevant CCP Transactions shall be deemed to be Seller-triggered Trades.

- d) If in the case of item c) the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices issued by Clearing Members acting as Buyer exceeds the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices issued by Clearing Members acting as Seller, or vice versa, any such exceeding Floating Rate Payer Calculation Amounts ("Exceeding Buyer Notional" or "Exceeding Seller Notional", as the case may be) will be assigned by Eurex Clearing AG to the Clearing Members acting as Buyers or Sellers, as the case may be, whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions shall be deemed to be Buyer-triggered Trades (in case of an Exceeding Buyer Notional) or Seller-triggered Trades (in case of an Exceeding Seller Notional).
- e) On a relevant business day in the period from (and excluding) the Exercise Cut-off Date^{CDD} applicable to the Seller to (and including) the Exercise Cut-off Date^{CDD} applicable to the Buyer, any CD Exercise Notice issued by Clearing Members acting as Buyer will be assigned by Eurex Clearing AG to the Clearing Members acting as Sellers whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions are Buyer-triggered Trades.
- f) For the purposes items a) to d), "on a pro rata basis" means (a) in case of a matching, that the pro rata calculation is made in accordance with the relevant Floating Rate Payer Calculation Amounts for which CD Exercise Notices were issued by the respective Seller and Buyers (b) in case of an assignment, that the relevant pro rata calculation is made in accordance with the amount of open positions held by the relevant Clearing Member as Seller or Buyer, as applicable, and which, in case of item c), have not been matched.
- g) In the case of items a) or d) any Clearing Member acting as Seller to whom CD Exercise Notices issued by Clearing Members acting as Buyers were assigned may deliver a CD Exercise Notice to Eurex Clearing AG within the CD Seller Exercise Period in which case Eurex Clearing AG will update the original assignment by re-qualifying the original Buyer-triggered Trades as Seller-triggered Trades on a pro rata basis (calculated in accordance with the Floating Rate Payer Calculation Amounts of the CD Exercise Notices delivered by the Clearing Members acting as Sellers, in each case in proportion to the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices originally issued by Clearing Members acting as Buyers minus, in case of item d), aggregate Floating Rate Payer Calculation Amount of the CD Exercise Notice that have been

matched pursuant to item c)).

- (h) In the case of items b) or d) any Clearing Member acting as Buyer to whom CD Exercise Notices issued by Clearing Members acting as Sellers were assigned may deliver a CD Exercise Notice to Eurex Clearing AG in the period from (and excluding) the Exercise Cut-off Date^{CD} applicable to the Seller to (and including) the Exercise Cut-off Date^{CD} applicable to the Buyer. In this case, Eurex Clearing AG will update the original assignment by re-qualifying the original Seller-triggered Trades as Buyer-triggered Trades on a pro rata basis (calculated in accordance with the Floating Rate Payer Calculation Amounts of the CD Exercise Notices delivered by the Clearing Members acting as Buyers, in each case in proportion to the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices originally issued by Clearing Members acting as Sellers minus, in case of item d), the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices that have been matched pursuant to item c)).
- i) Eurex Clearing AG will notify the Clearing Members acting as Buyers or Sellers, as the case may be, by making a report available in its system on the same day until 5 p.m. CET. Eurex Clearing AG will not deliver any CD Exercise Notice to a Clearing Member acting as Buyer or Seller in addition to such report.

2.1.16.1 Standard Credit Event Settlement Terms (Auction Settlement Method)

- (1) If Eurex Clearing AG determines that the Conditions to Settlement are satisfied and an Event Determination Date occurs, the Seller under a CCP Transaction, which may be either the relevant Clearing Member or Eurex Clearing AG, as applicable, shall pay to the Buyer under a corresponding CCP Transaction, which may be a Clearing Member (if Eurex Clearing AG is the Seller) or Eurex Clearing AG (if the relevant Clearing Member is the Seller), as applicable, the Auction Settlement Amount on the Auction Settlement Date ("Auction Settlement Method"), unless settlement occurs pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions.
- (2) Subject to any calculation methods set forth in the following Subparts of this Part 2 with respect to a relevant Product Type of CCP Transactions, the "Auction Settlement Amount" will be calculated in accordance with the following formula:

Floating Rate Payer Calculation Amount x (Reference Price - Auction Final Price)

provided that the Auction Settlement Amount shall not be less than zero.

whereas:

"Auction Final Price^{CDD}" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms^{CDD} subject to paragraphs (2) and (3) below.

"Floating Rate Payer Calculation Amount" means the amount defined as such in any Subparts of this Part 2 of Chapter VIII of the Clearing Conditions with respect to a Product Type of CCP Transactions or, if not so defined, the amount shown as such in the relevant OTC Trade Event Report.

"Reference Price" means the percentage shown as such in the OTC Trade Event Report, or, if a percentage is not so specified, 100 per cent.

- (3) In case of a Restructuring^{CDD} Credit Event^{CDD} where "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies pursuant to Part 2 of this Chapter VIII, there will be a separate Auction Final Price^{CDD}, to the extent an Auction^{CDD} is conducted, for each Maturity Bucket. A CCP Transaction qualifies for a relevant Maturity Bucket based on whether the Buyer (the "Buyer Maturity Bucket") or the Seller (the "Seller Maturity Bucket", the Buyer Maturity Bucket and the Seller Maturity Bucket together a "Maturity Bucket") has issued the relevant (prevailing) CD Exercise Notice, as described in the relevant Credit Derivatives Auction Settlement Terms^{CDD} and subject to an exercise of the Movement Option^{CDD}. For the purposes of the Credit Derivatives Definitions, Buyer-triggered Trades shall be deemed to be CCP Transactions for which the Buyer has delivered a Credit Event Notice and Seller-triggered Trades shall be deemed to be CCP Transactions for which the Seller has delivered a Credit Event Notice. The applicable Buyer Maturity Bucket is determined on the basis of the Scheduled Termination Date of the relevant CCP Transaction, as described in the relevant Credit Derivatives Auction Settlement Terms^{CDD}.
- (4) If, in case of a Restructuring^{CDD} Credit Event^{CDD} where "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies, Section 12.17 (Movement Option) shall apply provided that (i) in Paragraph (a) of Section 12.17 the words "which Notifying Party delivered the Credit Event Notice" shall be replaced with the words "whether the CCP Transaction is a Buyer-triggered Trade or a Seller-triggered Trade", and (ii) in Paragraph (b) of Section 12.17, the words "Buyer delivered the Credit Event Notice" shall be replaced with the words "the CCP Transaction is a Buyer-triggered Trade".
- (5) If a Clearing Member acting as Buyer or Seller exercises the Movement Option, Eurex Clearing AG will update the original qualification as Buyer-triggered Trades and Seller-triggered Trades, respectively, by re-qualifying such CCP Transactions in accordance with Paragraph 4 which shall be binding on all relevant Clearing Members acting as Buyers or Sellers, respectively, whose CCP Transactions are

affected by the delivery of CD Exercise Notices upon the occurrence of the relevant Restructuring^{CDD} Credit Event^{CDD} and the assignment and matching pursuant to Chapter VIII Number 2.1.16 Paragraph 14 of the Clearing Conditions.

- (6) A Clearing Member may exercise the Movement Option^{CDD} by marking in the report made available by Eurex Clearing AG the relevant CCP Transactions affected by the Restructuring^{CDD} Credit Event^{CDD} for which it exercises the Movement Option^{CDD}, and by transmitting such report via e-mail to Eurex Clearing AG to the e-mail address eurexcreditclear@eurexclearing.com (the "Notice to Exercise Movement Option").
- (7) Eurex Clearing AG will notify the Clearing Members acting as Buyers or Sellers, as the case may be, of the updated qualification of CCP Transactions as Buyer-triggered Trades and Seller-triggered Trades (Paragraph 5) by making a report available in its system on each business day until 5 p.m. CET in the period from (and excluding) the Exercise Cut-off Date^{CDD} applicable to Buyer to (and including) the Movement Option Cut-off Date^{CDD}. Eurex Clearing AG will not deliver any Notice to Exercise Movement Option to a Clearing Member acting as Buyer or Seller in addition to such report.
- (8) The parties to CCP Transactions affected by a Credit Event^{CDD} cannot request physical settlement or cash settlement in accordance with the Cash Settlement^{CDD} method, with the exception that physical settlement may occur if the Fallback Settlement Method applies pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions.
- (9) If an Auction^{CDD} takes place, each Clearing Member shall ensure that physical settlement requests of its customers (together with the Clearing Member's own physical settlement requests, as the case may be) will be submitted to a Participating Bidder^{CDD} as "Customer Physical Settlement Request" and shall make any necessary arrangements with one or more appropriate Participating Bidders^{CDD} that such Customer Physical Settlement Requests are accepted by the relevant Participating Bidder^{CDD} in accordance with, and subject to, the applicable Credit Derivatives Auction Settlement Terms^{CDD}.

2.1.16.2 Fallback Settlement Method (no applicable Auction Final Price determined)

If (a) an Auction Cancellation Date^{CDD} has occurred, or (b) a No Auction Announcement Date^{CDD} has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to Section 12.12(b)(i) of the Credit Derivatives Definitions, neither a Clearing Member acting as Buyer nor a Clearing Member

acting as Seller has exercised the Movement Option), or (c) if the Eurex Determinations Committee has determined that a Credit Event^{CDD} has occurred, then physical settlement shall take place on a bilateral basis in accordance with Chapter VIII Numbers 2.1.16.3 and Chapter VIII Number 2.1.16.4 ("Fallback Settlement Method").

2.1.16.3 Notification and Allocation Procedure for Physical Settlement

- (1) In case the Fallback Settlement Method is applicable pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions, Clearing Members acting as Buyers of CCP Transactions shall notify Eurex Clearing AG of the following ("Notice of Physical Settlement"): (a) one or more Deliverable Obligation(s)^{CDD}, which such Clearing Member will Deliver^{CDD}, as well as (b) the outstanding principal balance or, in case of Deliverable Obligations^{CDD} that are not Borrowed Money^{CDD}, the Due and Payable Amount^{CDD} (in each case the "Outstanding Amount") of each such Deliverable Obligation^{CDD}.
- (2) The Notice of Physical Settlement shall be made by the relevant Clearing Member for each CCP Transaction by transmitting the relevant report via e-mail to Eurex Clearing AG to the e-mail address eurexcreditclear@eurexclearing.com until 3 p.m. CET. The report must provide the description and information required pursuant to Section 3.4 of the Credit Derivatives Definitions (including the ISIN if available and if applicable).
- (3) If an effective Notice of Physical Settlement is not delivered by the Clearing Member acting as Buyer on or before the thirtieth calendar date after the Event Determination Date (subject to adjustment in accordance with any specified Business Day Convention), such thirtieth calendar day shall be the Termination Date for any such CCP Transaction and the CCP Transaction between Eurex Clearing AG and the Clearing Members acting as Seller to whom no Notices of Physical Settlement were allocated by Eurex Clearing AG.
- (4) With respect to the CCP Transactions of the same Product Type which are identical in all material aspects other than the notional amount, Eurex Clearing AG shall allocate to one or more Clearing Members acting as Sellers of such CCP Transactions the Notices of Physical Settlement received from Clearing Members acting as Buyers in a timely manner using a selection procedure that ensures the neutrality of the allocation process. If a Clearing Member acts as both Buyer and Seller in respect of the relevant settlement process, the assignment of such deliveries will be performed with the highest priority. The Clearing Members acting

as Sellers of CCP Transactions will be informed about the Notices of Physical Settlement received pursuant to Paragraph 2 and the respective Clearing Member acting as Buyer before 5 p.m. on the relevant business day. The Clearing Members acting as Buyers will be notified of the identity of the respective Clearing Members acting as Seller. Each Clearing Member acting as Buyer and each Clearing Member acting as Seller allocated to it shall be an "Allocated Pair".

- (5) Paragraphs 1 to 4 above shall apply to the legal relationship between Clearing Members and their Registered Customers *mutatis mutandis*.

2.1.16.4 Effect of the Notification and Allocation Procedure

Upon the allocation by Eurex Clearing AG of the Notices of Physical Settlement pursuant to Chapter VIII Number 2.1.16.3 to Clearing Members acting as Sellers, the following shall apply:

1. The Clearing Member acting as Buyer and the relevant Clearing Member acting as Seller who constitute an Allocated Pair shall be deemed to have entered (with each other in an OTC Credit Derivative Transactions without Eurex Clearing AG being interposed) under the standard form of the ISDA 2002 Master Agreement governed by English law (the "Bilateral Credit Derivative Transaction").
2. The relevant CCP Transactions will cease to exist and Eurex Clearing AG shall cease to have any rights or obligations as a party to the relevant CCP Transactions with the Clearing Members that are part of an Allocated Pair.
3. The OTC Credit Derivative Transactions entered into pursuant to item 1 shall have the same contractual credit derivative terms as the portion of the CCP Transactions which was subject to the allocation of the relevant Notice of Physical Settlement, such terms being set out in Chapter VIII Numbers 2.1.3 (which for purposes of Bilateral Credit Derivative Transactions shall also include an incorporation by reference of Sections 2.31 and Article VIII and IX of the Credit Derivative Definitions), 2.1.11 to 2.1.16 Paragraphs 1 to 13 and Chapter VIII Numbers 2.2.2, 2.2.2.1, 2.2.2.2, and 2.2.2.3 as well as Number 2.3.2.1 provided that:
 - i. the Clearing Member acting as Seller under the Bilateral Credit Derivative Transaction shall be the Calculation Agent, also with respect to the applicable Currency Rate^{CDD},

- ii. the Calculation Agent City is the city in which the Calculation Agent is acting for purposes of the Credit Derivatives Transaction is located, and
- iii. all notices shall be made in accordance with Section 1.10 of the Credit Derivatives Definitions.

- 4. Items 1 to 3 shall apply to CCP Customer Transactions relating to the CCP Transactions which have become Bilateral Credit Derivative Transactions pursuant to item 1 mutatis mutandis.

2.2 Sub-Part: Clearing of Index Credit Default Swap Transactions

2.2.1 Special Provisions regarding Index Credit Default Swap Transactions

The following Sub-Part contains the specifications for index Credit Default Swap Transactions based on credit default indices.

2.2.1.1 General Terms

- (1) An Index Credit Default Swap Transaction ("Index Credit Default Swap" or "Index CDS") is a contract between two parties, a protection buyer or fixed rate payer who makes fixed periodic payments, and a protection seller or floating rate payer, who collects the fixed periodic payments in exchange for compensating the protection buyer in case of the occurrence of a Credit Event^{CDD} with respect to Reference Entities^{CDD} which are comprised in a specific credit default swap index which is published, composed, weighted and calculated by an index provider.
- (2) Each Index CDS is defined by, among others:
 - a) The reference entities comprised in the relevant index and related reference obligations;
 - b) The relevant term which differentiates it from an Index CDS on the same index which has a different term;

-
- c) The notional amount;
 - d) The weighting of the reference entities comprised in the index; and
 - e) A coupon payable by the fixed rate payer or protection buyer.
 - f) Certain Credit Events^{CDD} which will trigger the settlement of the Index CDS.

2.2.1.2 Product Types and Product-specific Novation Criteria

- (1) Eurex Clearing AG clears the following Index CDS Product Types: iTraxx® Europe Index, iTraxx® Europe HiVol Index, and iTraxx® Europe Crossover Index.
- (2) Index CDS on the iTraxx® Europe Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
 - iTraxx® Europe Index Series 7, 8, 9, 10, 11 and any new versions thereof or series launched after series 11 and published on the website of the Index Publisher (www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
- (3) Index CDS on the iTraxx® Europe HiVol Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
 - iTraxx® Europe HiVol Index Series 7, 8, 9, 10, 11 and any new versions or series thereof or series launched after series 11 and published on the website of the Index Publisher (currently www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
- (4) Index CDS on the iTraxx® Europe Crossover Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
 - iTraxx® Europe Crossover Index Series 7, 8, 9, 10, 11 and any new

versions or series thereof or series launched after series 11 and published on the website of the Index Publisher (www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.

- (5) In the trade record of the relevant Index CDS transmitted to Eurex Clearing AG by the Approved Trade Source System the data fields for the following attributes must be filled in Counterparty ID, Trade Date, Effective Date, Scheduled Term Date, Reference Entity Name, Fixed Rate Payer (Buyer), Float Rate Payer (Seller), Fixed Rate (per annum), Float Rate Amount, Float Rate Currency.
- (6) If an Index CDS meets the Product-specific novation criteria above on the basis of the data provided by the Approved Trade Source System, then such Index CDS will be novated pursuant to Chapter VIII Sub-Part 1.2 and included in the clearing (provided that all other applicable novation criteria are met) irrespective of whether the terms of such Index CDS as agreed among the parties otherwise differ from the terms set out in these Clearing Conditions.

2.2.2 Clearing of iTraxx® Index Credit Default Swap Transactions

- (1) The following sections shall rule the clearing of the types of Index CDS set out in Number 2.2.1.2 above.
- (2) "iTraxx® Europe Indices" means each of the series and versions of indices set out in Number 2.2.2.1 to Number 2.2.2.3 below. Information about these indices and their publication, composition, weighting and calculation is available on the website of the Index Publisher (www.markit.com).
- (3) "iTraxx® Index Sponsor" means International Index Company Ltd., or any successor thereto, and "iTraxx® Index Publisher" means Mark-it Partners Ltd., or any replacement therefore appointed by the Index Sponsor for purposes of officially publishing the relevant iTraxx® Index.
- (4) Following the publication of a new series for any of the iTraxx® Europe Indices, all existing CCP Transactions that are linked to a previous series of the relevant index shall not be affected by the publication of such new index series. Any OTC Credit Derivatives Transactions that will be included in the clearing by way of novation after the publication of a new index series for any of the iTraxx® Europe Indices may either be linked to a previous series of the relevant index or to the relevant new series of the iTraxx® Europe Indices.

- (5) Following the occurrence of a Credit Event^{CDD} and the satisfaction of the Conditions to Settlement, the affected Reference Entity will be an "Excluded Reference Entity" as from the relevant Event Determination Date. Any CCP Transactions linked to the same series of one of the Traxx® Europe Indices that is affected by such Credit Event^{CDD} shall have the same terms (except for the Original Trade Date and the Effective Date) irrespective of whether the Credit Event^{CDD} has occurred before or after the relevant Original Trade Date and irrespective of whether a new version of the relevant series has been published by the Index Publisher if the publication of such new version is exclusively due to the occurrence of the respective Credit Event^{CDD}. This shall apply mutatis mutandis if a Reference Obligation^{CDD} has been substituted or if a Succession Event^{CDD} has occurred with respect to a Reference Entity comprised in one of the iTraxx® Europe Indices, i.e. the relevant Successor^{CDD} shall in any event be the Reference Entity irrespective of whether a new version reflecting such Succession Event^{CDD} has been published or not. If as a result of such events a new version has been published and if the index in its new version is the same as the previous version of the index after adjustment due to the relevant Credit Event^{CDD} or Succession Event^{CDD} or after substitution of Reference Obligation^{CDD}, Eurex Clearing AG will adjust all affected CCP Transactions to reflect the new version of the Index.
- (6) In case of a Restructuring Credit Event^{CDD}, the affected Reference Entity will be excluded from the relevant iTraxx® Europe Index and the portion of the CCP Transaction linked to the relevant iTraxx® Europe Index which relates to the affected Reference Entity will be split-off into a Single-Name CDS in accordance with paragraph Chapter VIII Number 2.2.2.1 Paragraph 19 below.
- (7) Each CCP Transaction that according to the relevant OTC Trade Event Report is an iTraxx® Europe OTC Credit Derivatives Transaction (the "iTraxx® Master Transaction") shall be deemed to consist of individual component transactions (each a "Component Transaction" in respect of each Reference Entity listed in the Relevant Annex (each a "Component Transaction") provided that, if, in respect of a Reference Entity, a Succession Event^{CDD} occurs or has occurred on or following the earlier of the Effective Date and the Original Trade Date, the provisions of Section 2.2 of the Credit Derivatives Definitions and Chapter VIII Number 2.1.13 of these Clearing Conditions will apply in respect of such Reference Entity mutatis mutandis. Without prejudice to the fact that a Component Transaction is only a part of one single CCP Transaction, such CCP Transaction being the iTraxx® Master Transaction, each Component Transaction shall be deemed to be a Credit Derivatives Transaction for purposes of the definitions and provisions of the Credit Derivatives Definitions. having the terms applicable to iTraxx® Europe transactions as set out herein.
- (8) For purposes of CCP Transactions that are Index CDS linked to one of the iTraxx®

Europe Indices, "CD Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London and a TARGET Settlement Day^{CDD}.

2.2.2.1 iTraxx® Europe Index

- (1) CCP Transactions that are Index CDS on the iTraxx® Europe Index, in each case the series and version of the iTraxx® Europe Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) to (19) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1. and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these Clearing Conditions.
- (2) Original Trade Date: As shown in the relevant OTC Trade Event Report.
- (3) Effective Date: The Roll Date in respect of the relevant iTraxx® Europe Index as set out and defined in the Relevant Annex.
- (4) Scheduled Termination Date^{CDD}: As shown in the relevant OTC Trade Event Report.
- (5) Floating Rate Payer: As shown in the relevant OTC Trade Event Report (the "Seller")
- (6) Fixed Rate Payer: As shown in the relevant OTC Trade Event Report (the "Buyer")
- (7) Reference Entity^{CDD}: Subject to paragraph 18 below, the relevant Reference Entity^{CDD} contained in the relevant iTraxx® Europe Index and listed in the Relevant Annex, and any Successor.
- (8) Reference Obligations^{CDD}: The Reference Obligation(s) (if any) set out opposite the relevant Reference Entity in the Relevant Annex, subject to Chapter VIII Number 2.1.13 Paragraph 5 of the Clearing Conditions.
- (9) Business Day Convention^{CDD}: Following^{CDD} (which, except for the Effective Date and the Original Trade Date, shall apply to any date referred to in this Number 2.2.2.1 or in the OTC Trade Event Report that falls on a day that is not a CD Business

Day).

(10) Relevant Annex:

The "Relevant Annex" shall be the list for the relevant iTraxx® Europe Index with the relevant Annex Date specified in the OTC Trade Event Report, as published by the Index Publisher (which can be accessed currently at <http://www.markit.com>).

(11) Initial Payment:

Any initial payment will have to be made directly between the parties in accordance with the terms of the Original OTC Transaction and no initial payment is due under a CCP Transaction as set out in Chapter VIII Number 2.1.14 of these Clearing Conditions.

(12) Fixed Payments:

- a) The "Fixed Rate Payer Calculation Amount" shall be the Floating Rate Payer Calculation Amount.
- b) The "Fixed Rate Payer Payment Dates" shall be each 20th March, 20th June, 20th September and 20th December in each year.
- c) The "Fixed Rate Payer Calculation Period" shall be each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the later of the Effective Date and the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Original Trade Date and (b) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of these Clearing Conditions).
- (d) The "Fixed Rate" shall be the per annum rate in respect of the relevant iTraxx® Europe Index and the Term of the relevant iTraxx® Master Transaction as set out in the Relevant Annex.

(e) The "Fixed Rate Day Count Fraction" shall be

Actual/360^{CDD}.

(13) Floating Payment:

The Floating Rate Payer and Seller shall make Floating Payments in accordance with Chapter VIII Number 2.1.16 of the Clearing Conditions provided that:

- a) With respect to each Component the "Floating Rate Payer Calculation Amount" shall be an amount equal to:

Reference Entity Weighting x Original Notional Amount.

- b) "Original Notional Amount" shall be the amount shown as such in the OTC Trade Event Report.
- c) "Reference Entity Weighting" means the percentage set out opposite the relevant Reference Entity in the Relevant Annex, provided that the Reference Entity Weighting in respect of an Excluded Reference Entity shall be deemed to be zero.
- d) "Excluded Reference Entity" means a Reference Entity shown as such in the OTC Trade Event Report.
- e) The "Credit Events^{CDD}" shall be:

Bankruptcy^{CDD}

Failure to Pay^{CDD}

Restructuring^{CDD}

Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall apply to the Notice of Deliverable Obligations, provided that Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall not apply if the Reference Entity is specified as a "Subordinated Insurer" in the Relevant Annex.

Notwithstanding Chapter VIII Number 2.1.16.1

Paragraphs 3 and 4 of the Clearing Conditions, in case of such a Subordinated Insurer there will be no Auction^{CDD} for different Maturity Buckets and there will be no such different Maturity Buckets available under the Fallback Settlement Method either. Rather, the provisions of the Auction Settlement Method or the Fallback Settlement Method, as applicable, which would apply upon occurrence of a Credit Event^{CDD} in the form of a Bankruptcy^{CDD} or a Failure to Pay^{CDD}, apply mutatis mutandis.

For the avoidance of doubt, in case of a Restructuring^{CDD} Credit Event^{CDD} Section 4.9 (Limitation on Obligations in Connection with Section 4.7) of the Credit Derivatives Definitions shall apply.

(14) All Guarantees^{CDD}:

"All Guarantee" shall be applicable for purposes of the definitions of Obligation and Deliverable Obligation^{CDD}.

(15) Obligation(s)^{CDD}

a) Obligation Category^{CDD}: Borrowed Money^{CDD}

b) Obligation Characteristics^{CDD}: None.

(16) Settlement Terms:

Auction Settlement Method pursuant to Number 2.1.16.1 of these Clearing Conditions shall apply (subject to the Fallback Settlement Method) provided that in the case of the Fallback Settlement Method:

a) "Exclude Accrued Interest^{CDD}" shall apply.

b) The "Deliverable Obligation Category^{CDD}" shall be Bond or Loan^{CDD}.

c) The "Deliverable Obligation Characteristics^{CDD}" shall be the following:

- Not Subordinated^{CDD}

- Specified Currency^{CDD} (Standard Specified Currencies^{CDD})

- Not Contingent^{CDD}
- Assignable Loan^{CDD}
- Consent Required Loan^{CDD}
- Transferable^{CDD}
- Maximum Maturity^{CDD}: 30 years
- Not Bearer^{CDD}

d) Escrow^{CDD} (Section 8.11 of the Credit Derivatives Definitions) shall apply in case of the Fallback Settlement Method provided that any physical settlement by way of a Delivery^{CDD} of a Bond^{CDD} that can be processed by Eurex Clearing AG through appropriate instruction to the respective bank for central depository of securities or to the custodian or central securities depository, respectively, shall take place through Eurex Clearing AG, as Escrow Agent in accordance with the Clearing Conditions (in which case the last sentence of Section 8.11(a) shall be replaced by the clearing arrangements between the parties and Eurex Clearing AG).

(17) Merger of Reference Entity and Seller: For the avoidance of doubt, Section 2.31 of the Credit Derivative Definitions shall not apply.

(18) Inconsistency between Relevant Annex and Index: In the event of any inconsistency between the Relevant Annex and the relevant iTraxx® Europe Index published by the Index Sponsor, the Relevant Annex shall govern.

(19) Restructuring Credit Event: If a DC Credit Event Announcement^{CDD} occurs in respect of a Restructuring^{CDD} with respect to a Reference Entity (such Reference Entity, a "Restructured Entity"), from and including the calendar day immediately following the date of such DC Credit Event Announcement^{CDD}:

- a) the Restructured Entity shall be deemed to have been removed from the iTraxx® Europe Index and the Relevant Annex; and
- b) the Component Transaction relating thereto shall continue in full force and effect between the parties as an independent CCP Transaction in

the form of Single Name CDS referencing the Restructured Entity with the same economic terms and conditions as the Component Transaction immediately before such DC Credit Event Announcement except that this Paragraph 19 shall be deemed not to apply (such new Transaction, a "New Trade"); and

- c) as soon as reasonably practicable after the DC Credit Event Announcement^{CDD}, the parties shall confirm the terms of the New Trade in their respective booking systems. Unless Resolved otherwise by a relevant Credit Derivatives Determinations Committee^{CDD} or a Eurex Determinations Committee, such New Trade shall be recorded as a Credit Derivative Transaction^{CDD} referencing solely the Restructured Entity which shall be deemed to be evidenced by a Confirmation for use with the Credit Derivatives Physical Settlement Matrix (as defined in the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published on March 7, 2005) and incorporating the Credit Derivatives Physical Settlement Matrix terms applicable for the relevant Transaction Type for the Restructured Entity; provided that the appropriate version of the Credit Derivatives Physical Settlement Matrix and the relevant Transaction Type shall be selected by the Calculation Agent in consultation with the Clearing Members holding a CD Clearing License, acting in good faith and in a commercially reasonable manner, such that the economic terms of the New Trade as closely as possible preserve the economic equivalent of the Component Transaction immediately before the DC Credit Event Announcement^{CDD}.
- d) If the Clearing Member acting as Seller or any of its Affiliates is the Restructured Entity, such Clearing Member shall either deliver a CD Exercise Notice or close the relevant Component Transaction that has become a CCP Transaction in accordance with Chapter VIII Number 2.3.1.3 which shall apply mutatis mutandis.

(20) Amendment to Relevant Annex: The Relevant Annex will be deemed amended from time to time to reflect any modifications required under Section 2.2 of the Credit Derivatives Definitions and Number 2.1.13 of these Clearing Conditions and the "Reference Obligation(s)"^{CDD} provisions in paragraph (8) above.

(21) STMicroelectronics NV: Where (a) STMicroelectronics NV is the Reference Entity: (b) the Notice of Physical Settlement with respect to such Reference Entity specifies the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by

STMicroelectronics NV as a Deliverable Obligation^{CDD}, and (c) such Deliverable Obligation^{CDD} is not immediately due and payable as of the Delivery Date^{CDD}, the outstanding principal balance of such Deliverable Obligation^{CDD} shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation^{CDD}.

2.2.2.2 iTraxx® Europe HiVol Index

- (1) Index CDS on the iTraxx® Europe HiVol Index, in each case the series and version of the iTraxx® Europe HiVol Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1 and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these Clearing Conditions.
- (2) The provisions set out in Chapter VIII Number 2.2.2.1 above relating to the iTraxx® Europe Index shall apply to the iTraxx® Europe HiVol Index Product Types mutatis mutandis provided that the term " iTraxx® Europe Index" shall be replaced by the term "iTraxx® Europe HiVol Index".

2.2.2.3 iTraxx® Europe Crossover Index

- (1) Index CDS on the iTraxx® Europe Crossover Index, in each case the series and version of the iTraxx® Europe Crossover Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1 and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these Clearing Conditions.
- (2) The provisions set out in Number 2.2.2.1 relating to the iTraxx® Europe Index shall apply to the iTraxx® Europe Crossover Index Product Types mutatis mutandis provided that the term " iTraxx® Europe Index" shall be replaced by the term "iTraxx® Europe Crossover Index".

2.3 Sub-Part: Clearing of Single Name Credit Default Swap Transactions

2.3.1 Special Provisions regarding Single Name Credit Default Swap Transactions

The following Sub-Part contains the specifications for Single Name Credit Default Swap Transactions ("Single Name CDS") based on a single Reference Entity.

2.3.1.1 General Terms

- (1) An Single Name CDS is a contract between two parties, a protection buyer or fixed rate payer who makes fixed periodic payments, and a protection seller or floating rate payer, who collects the fixed periodic payments in exchange for compensating the protection buyer in case of the occurrence of a Credit Event^{CDD} with respect to the Reference Entity^{CDD} on which the protection buyer has bought credit protection from the protection seller.
- (2) Each Single Name CDS is defined by, among others:
 - a) The reference entity to which such Single Name CDS is linked;
 - b) A reference obligation of the reference entity
 - c) The relevant term which differentiates it from Single Name CDS on the same reference entity which has a different term;
 - d) The notional amount which means the quantity of the underlying asset on which the protection buyer has bought credit protection;
 - e) A coupon payable by the fixed rate payer or protection buyer.
 - f) Certain Credit Events which will trigger the settlement of the Single Name CDS.
 - g) The Deliverable Obligation Category and Characteristics that define the Deliverable Obligations.

2.3.1.2 Product Types and Product-specific Novation Criteria

- (1) Eurex Clearing AG clears the following Single Name CDS Product Types: Single Name CDS on iTraxx Europe Constituents.
- (2) Single Name CDS on the iTraxx® Europe Constituents must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
 - The reference entities are constituents of the iTraxx® Europe Index, iTraxx® Europe HiVol Index or the iTraxx® Europe Crossover Index Series 7, 8, 9, 10, 11 and any version or series thereof launched after series 11 provided that such constituents have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
 - The currency for fixed rate payments, floating rate payments and settlement is either EUR, GBP, CHF or USD.
 - The Single Name CDS matched by the Approved Trade Source System identify the reference entity and the reference obligation by using a RED (Reference Entity Database) code.
 - The original maturity of the Single Name CDS is not more than 10.25 years.
 - The scheduled maturity date is 20 March, 20 June, 20 September or 20 December, in each case unadjusted for non-business days
 - The Single Name CDS are quarterly rolling transactions as of 20 March, 20 June, 20 September or 20 December (CDS IMM roll date) with quarterly fixed rate payments.
 - The first fixed rate payment date is a quarterly CDS IMM roll date.
 - The first fixed rate accrual period starts from the effective date or from the adjusted CDS IMM roll date.
 - The single Name CDS is recorded as a standard using the ISDA 2003 Master Confirmation Agreement and falling within one of the four following ISDA Physical Settlement Matrix categories: European Corporate, Standard European Corporate, Subordinated European Insurance Corporate or Standard Subordinated European Insurance Corporate.

- With respect to CCP Transactions to be booked on the Principal Account of a Clearing Member or of a Registered Customer acting as Seller, the Reference Entity^{CDD} shall be different from the Clearing Member acting as Seller or a Registered Customer acting as Seller and any of the Affiliates of such Clearing Member or Registered Customer.
 - In the trade record of the relevant Single Name CDS transmitted to Eurex Clearing AG by the Approved Trade Source System the data fields for the following attributes must be filled in Counterparty: ID, Trade Date, Effective Date, Scheduled Term Date, First Payment Date, Reference Obligation, Reference Entity Name, Master Document Transaction Type, Fixed Rate Payer (Buyer), Float Rate Payer (Seller), Fixed Rate (per annum), Float Rate Amount, Float Rate Currency, Payment Frequency (Months).
- (3) If an Single Name CDS meets the Product-specific novation criteria above on the basis of the data provided by the Approved Trade Source System, then such Single Name CDS will be novated pursuant to Chapter VIII Sub-Part 1.2 and included in the clearing (provided that all other applicable novation criteria are met) irrespective of whether the terms of such Single Name CDS as agreed among the parties otherwise differ from the terms set out in these Clearing Conditions.

2.3.1.3 Merger of Reference Entity and Seller

- (1) In the event that a Seller, which may be a Clearing Member or a Registered Customer, as applicable, or a Reference Entity consolidates or amalgamates with, or merges into, or transfer all its assets to, the Reference Entity or the Seller, as applicable, or Seller and a Reference Entity become Affiliates, the Seller shall close all its existing CCP Transactions based on the respective Reference Entity by an inverse Single Name CDS (the "Closing") to be cleared by Eurex Clearing AG. Sentence 1 applies to CCP Transactions booked on the Principal Account of the Seller only.
- (2) If the Closing of CCP Transactions has not been concluded by the respective Seller, which might be a Clearing Member or a Registered Customer, as applicable, within a certain adequate period of time set by Eurex Clearing AG in individual cases, Eurex Clearing AG may carry out the Closing of these CCP transactions on behalf of the concerned Seller.

2.3.2 Clearing of Single Name CDS

The following sections shall rule the clearing of CCP Transactions that are Single Name CDS.

2.3.2.1 Single Name CDS on iTRAXX Europe Constituents

- (1) CCP Transactions that are Single Name CDS on iTraxx Europe Constituents shall be governed by the product-specific terms below which shall be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1 and Sub-Part 2.3 Number 2.31 and 2.3.2 and the terms set out in the paragraphs (2) to (17) below:
- (2) Original Trade Date: As shown in the relevant OTC Trade Event Report.
- (3) Effective Date: As shown in the relevant OTC Trade Event Report.
- (4) Scheduled Termination Date: As shown in the relevant OTC Trade Event Report.
- (5) Floating Rate Payer: As shown in the relevant OTC Trade Event Report (the "Seller")
- (6) Fixed Rate Payer: As shown in the relevant OTC Trade Event Report (the "Buyer")
- (7) Reference Entity: The Reference Entity specified as such in the OTC Trade Event Report.
- (8) Reference Obligations^{CDD}: The Reference Obligation specified as such in the OTC Trade Event Report, subject to Chapter VIII Number 2.1.13 Paragraph 5 of the Clearing Conditions.
- (9) CD Business Day: any day on which commercial banks and foreign exchange markets are generally open to settle payments in:
 - London and a TARGET Settlement Day^{CDD} if

Currency is USD

the Settlement Currency is EUR

- London and New York if the Settlement

Currency is GBP

- London if the Settlement Currency is GBP

is CHF

- London and Zurich if the Settlement Currency

(10) Business Day Convention^{CDD}:

Following (which, except for the Effective Date and the Trade Date, shall apply to any date referred to in this Number 2.3.2.1 or in the OTC Trade Event Report that falls on a day that is not a CD Business Day.

(11) Initial Payment:

Any initial payment will have to be made directly between the parties in accordance with the terms of the Original OTC Credit Derivatives Transaction and no initial payment is due under a CCP Transaction as set out in Chapter VIII Number 2.1.14 of these Clearing Conditions.

(12) Fixed Payments:

- a) The "Fixed Rate Payer Calculation Amount" shall be the Floating Rate Payer Calculation Amount.
- b) The "Fixed Rate Payer Payment Dates" shall be each 20th March, 20th June, 20th September and 20th December in each year.
- c) The "Fixed Rate Payer Calculation Period" shall be each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the later of the Effective Date and the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately

following the OriginalTrade Date and (b) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of these Clearing Conditions).

(d) The "Fixed Rate" shall be the per annum rate set out in the OTC Trade Event Report.

(e) The "Fixed Rate Day Count Fraction" shall be Actual/360^{CDD}.

(13) Floating Payment:

The Floating Rate Payer and Seller shall make Floating Payments in accordance with Chapter VIII Number 2.1.16 of the Clearing Conditions provided that the Floating Rate Payer Calculation Amount shall be denominated in EUR, GBP, CHF or USD, as shown in the OTC Trade Event Report.

The "Credit Events^{CDD}" shall be:

Bankruptcy^{CDD}

Failure to Pay^{CDD}

Restructuring^{CDD}

Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall apply to the Notice of Deliverable Obligations.

These limitations do not apply if the inclusion of the initial Single Name CDS in the clearing was based on one of the two following product-specific novation criteria (Number 2.3.1.2 paragraph 2): "Subordinated European Insurance Corporate" or "Standard Subordinated European Insurance Corporate".

In this case, notwithstanding Chapter VIII

Number 2.1.16.1 Paragraphs 3 and 4 of the Clearing Conditions, there will be no Auctions^{CDD} for different Maturity Buckets and there will be no such different Maturity Buckets available under the Fallback Settlement Method either. Rather, the provisions of the Auction Settlement Method or the Fallback Settlement Method, as applicable, which would apply upon occurrence of a Credit Event^{CDD} in the form of a Bankruptcy^{CDD} or a Failure to Pay^{CDD}, apply mutatis mutandis.

For the avoidance of doubt, in case of a Restructuring^{CDD} Credit Event^{CDD} Section 4.9 (Limitation on Obligations in Connection with Section 4.7) of the Credit Derivatives Definitions shall apply.

(14) All Guarantees^{CDD} shall apply for purposes of determining a Deliverable Obligation^{CDD}.

(15) Obligation(s)^{CDD}

(a) Obligation Category^{CDD}: Borrowed Money^{CDD}

(b) Obligation Characteristics^{CDD}: None.

(16) Settlement Terms:

Auction Settlement Method pursuant to Number 2.1.16.1 of these Clearing Conditions shall apply (subject to the Fallback Settlement Method) provided that in the case of the Fallback Settlement Method:

- a) The Settlement Currency shall be the denomination of the Floating Rate Payer Calculation Amount.
- b) "Exclude Accrued Interest^{CDD}" shall apply.
- c) The "Deliverable Obligation Category^{CDD}" shall be Bond or Loan^{CDD}.
- d) The "Deliverable Obligation Characteristics^{CDD}" shall be the following:

- Not Subordinated^{CDD}

- Specified Currency^{CDD} (Standard Specified Currencies^{CDD})

- Not Contingent^{CDD}

- Assignable Loan^{CDD}

- Consent Required Loan^{CDD}

- Transferable^{CDD}

- Maximum Maturity^{CDD}: 30 years

- Not Bearer^{CDD}

- e) Escrow^{CDD} (Section 8.11 of the Credit Derivatives Definitions) shall apply provided that the Delivery^{CDD} of a Bond^{CDD} that can be processed by Eurex Clearing AG through appropriate instruction to the respective bank for central depository of securities or to the custodian or central securities depository, respectively, shall take place through Eurex Clearing AG (in which case the last sentence of Section 8.11(a) shall be replaced by the clearing arrangements between the parties and Eurex Clearing AG).

- (17) If (a) STMicroelectronics NV is the Reference Entity and (b) the Notice of Physical Settlement with respect to such Reference Entity specifies the USD1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV as a Deliverable Obligation^{CDD}, and (c) such Deliverable Obligation^{CDD} is not immediately due and payable as of the Delivery Date^{CDD}, the outstanding principal balance of such Deliverable Obligation^{CDD} shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation^{CDD}.

THE FOLLOWING PROVISIONS OF CHAPTER VIII WILL BE IMPLEMENTED INTO THE
CLEARING CONDITIONS COLLECTIVELY AS OF AUGUST 7, 2009.

Chapter VIII Clearing of OTC Derivatives Transactions

Part 1 General Provisions

- (1) Eurex Clearing AG offers the settlement respectively clearing of OTC Derivatives Transactions, provided that such OTC Derivatives Transactions are of a Product Type recognised by Eurex Clearing AG and provided that the prerequisites pursuant to Chapter I Part 1 and in particular pursuant to Chapter VIII are fulfilled.
- (2) If and to the extent that OTC Derivatives Transactions are accepted for clearing pursuant to paragraph 1, the provisions of Chapter I shall also apply to the clearing of OTC Derivatives Transactions, unless otherwise provided hereinafter. As far as provisions of Chapter I are referring to Non-Clearing Members ("NCM"), these provisions apply to customers of Clearing Members accepted by Eurex Clearing AG (each a "Registered Customer") mutatis mutandis.
- (3) Chapter VIII does not apply to the clearing of Off-Exchange Futures and Options Transactions specified in Chapter II Part 4.

1.1 Sub-Part Clearing License

1.1.1 Granting of the Clearing License

- (1) In order to participate in the clearing of OTC Derivatives Transactions, a clearing license is necessary ("OTC Clearing License"), which entitles the holder thereof to clear its own transactions, transactions of its Registered Customers and customers'

transactions and which is equivalent to, and shall be deemed to be, a General Clearing License. Such license shall be granted by Eurex Clearing AG upon written application. Each such OTC Clearing License will be granted with the restriction to clear certain classes of OTC Derivatives Transactions covered within the following Parts of Chapter VIII.

- (2) An institution applying for a clearing license shall provide to Eurex Clearing AG evidence of a technical and functional connection to the gross delivery management (Chapter I Number 1.6 Clearing Conditions) pursuant to the specifications to set forth by Eurex Clearing AG.
- (3) The prerequisites to be fulfilled for the granting of the relevant OTC Clearing License are defined in each of the following Parts of Chapter VIII.

1.2 Sub-Part

Novation / Cancellation of CCP Transactions

For the purposes of including OTC Derivatives Transactions into the clearing and settlement by Eurex Clearing AG, the trade record of the relevant OTC Derivatives Transaction has to be transmitted to Eurex Clearing AG on behalf of Clearing Members and / or their Registered Customers by a provider authorised by Eurex Clearing AG to submit such transactions for clearing to Eurex Clearing AG ("Approved Trade Source System"). Following such submission, the relevant OTC Derivatives Transactions will be novated in accordance with, and subject to, Chapter VIII Sub-Part 1.2 and the following Parts of Chapter VIII; Chapter I applies mutatis mutandis.

1.2.1 Novation Principles

- (1) Eurex Clearing AG will become the central counterparty for an OTC Derivatives Transaction entered via an Approved Trade Source System into the system of Eurex Clearing AG by way of novation, if Eurex Clearing AG accepts the relevant OTC Derivatives Transaction for inclusion into the clearing. Eurex Clearing AG will accept an OTC Derivatives Transaction if the novation criteria defined in Chapter VIII Number 1.2.2 as well as any novation criteria set out in the following Parts of Chapter VIII applicable to the relevant Product Type (together the "Novation Criteria") are met. In this case, Eurex Clearing AG shall, upon its acceptance of an OTC Derivatives Transaction ("Original OTC Transaction"), interpose itself, by means of a novation, as the counterparty to each party to such accepted Original OTC Transaction and the Original OTC Transaction shall be discharged and replaced by two new derivatives

transactions ("CCP Transactions"). The Clearing Member that acted as buyer under the Original OTC Transaction shall be deemed to be the buyer under a CCP Transaction entered into by way of novation with Eurex Clearing AG and the Clearing Member that acted as seller under the Original OTC Transaction shall be deemed to act as seller under a CCP Transaction entered into by way of novation with Eurex Clearing AG.

- (2) Each CCP Transaction as set out in the relevant OTC Trade Event Report shall be subject to the Clearing Conditions, particularly to Chapter VIII and, unless expressly set out otherwise herein, the parties to the Original OTC Transaction shall be released from their obligations to each other under the Original OTC Transaction provided that any outstanding obligations relating to payments that have become due under the Original OTC Transaction, but have not have been paid yet, on or before the date of novation shall continue to exist under the contractual provisions of the Original OTC Transaction. The CCP Transactions resulting from the novation shall not be subject to the valid existence of the Original OTC Transaction (abstract novation).
- (3) "OTC Trade Event Report" means a report produced by Eurex Clearing AG that specifies the Original OTC Transactions (by reference to the trade record transmitted by the relevant Approved Trade Source System) as well as the respective CCP Transactions.
- (4) The acceptance of an Original OTC Transaction by Eurex Clearing AG referred to under Paragraph 1 shall be deemed to be effective at the Time of Novation (Chapter VIII Number 1.2.3.3 of the Clearing Conditions).

1.2.2 Novation Criteria

The Novation Criteria are:

1. Original OTC Transactions must be entered into the system of Eurex Clearing AG via an Approved Trade Source System.
2. Each party to an entered Original OTC Transaction must be either a Clearing Member of Eurex Clearing AG or a Registered Customer.
3. The Clearing License of the involved Clearing Members is not suspended.
4. Registered Customers must have concluded a standard Clearing Agreement (Appendix "RC-CM-Clearing Agreement" to the Clearing Conditions) with a

Clearing Member and the Eurex Clearing AG, and more of such Registered Customers has not been excluded from the clearing of OTC Derivatives Transactions.

5. The Clearing Members and / or Registered Customers which are parties to the Original OTC Transactions must have specified regarding each Original OTC Transaction that it should be novated and cleared by Eurex Clearing AG by entering a respective defined attribute into the relevant trade record transmitted on their behalf by an Approved Trade Source System to Eurex Clearing AG.
6. Original OTC Transactions, as entered into the system of Eurex Clearing AG, must be of a product type which is recognised by Eurex Clearing AG, as published on its website (www.eurexclearing.com), and which is provided for in the following Parts of Chapter VIII ("Product Type").
7. The Clearing Members dedicated to clear OTC Derivatives Transactions must have deposited sufficient collateral with Eurex Clearing AG to cover calculated risks resulting from CCP Transactions.
8. Any applicable additional Novation Criteria set forth in the following Parts of Chapter VIII.

1.2.3 Novation Process

The novation and clearing process (clearing) will be carried out for Original OTC Transactions on a weekly basis ("Weekly Clearing Cycle"). The Weekly Clearing Cycle takes place in accordance with the following provisions.

1.2.3.1 Preliminary Clearing Forecast

On each Wednesday, Eurex Clearing AG makes available a preliminary report in its system to Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable.

1.2.3.2 Final Clearing Forecast / Release by Clearing Members

- (1) On each Thursday, Eurex Clearing AG makes available an updated preliminary report in its system to the Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable.
- (2) Until 9:30 On such Thursday, each Clearing Member shall release for the clearing the Original OTC Transaction listed in the updated preliminary report made available to it by sending an e-mail to Eurex Clearing AG (msbackoffice@eurexclearing.com) not later than 11:45 a.m. CET on such Thursday, each Clearing Member shall, in an ~~If the e-mail is not received by Eurex Clearing AG in time, Eurex Clearing AG may reject the inclusion in the current Weekly Clearing Cycle. Such release must relate to all Original OTC Transactions listed in the updated preliminary report. In the e-mail sent to Eurex Clearing AG (eurexcreditclear@eurexclearing.com), each Clearing Member may specify any individual or all Original OTC Transactions listed in the updated preliminary report which shall not be released and accordingly not novated nor cleared by Eurex Clearing AG within the current Weekly Clearing Cycle ("Excluded Transactions"). If the relevant e-mail does not specify any Excluded Transactions, all Original OTC Transactions listed in the updated preliminary report shall be deemed to be released. In case Eurex Clearing AG receives more than one e-mail from one Clearing Member, the latest e-mail received by Eurex Clearing AG shall prevail. After 9:30~~ 11:45 a.m. CET, the release of Original OTC Transactions can be not be revoked or amended. If the relevant e-mail does not specify any Excluded Transactions or if no e-mail is received by Eurex Clearing AG from the relevant Clearing Member until 9:30 a.m., all Original OTC Transactions listed in the updated preliminary report shall be deemed to be released on a preliminary basis (subject to Paragraph 4) by the relevant Clearing Member.
- (3) Further to this, Eurex Clearing AG makes available a final forecast report in its system to the Clearing Members that specifies the Original OTC Transactions which have been received for clearing and which, on an indicative basis, fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable, and which are not Excluded Transactions.
- (4) On such Thursday, each Clearing Member shall release for the clearing the Original OTC Transaction listed in the final forecast report made available to it by sending an e-mail to Eurex Clearing AG (eurexcreditclear@eurexclearing.com) not later than 11:45 p.m. CET. Such release must relate to all Original OTC Transactions listed in the final forecast report. If the e-mail is not received by Eurex Clearing AG in time, Eurex

Clearing will publish to all Clearing Members holding a CD Clearing License the names of those Clearing Members who have not released. Following this, if the Clearing Member cannot release in a reasonable time, then Eurex Clearing AG will reject the current Weekly Clearing Cycle. Eurex Clearing AG will publish to all Clearing Members holding a CD Clearing License a confirmation of receiving all releases.

- (5) If a Clearing Member does not release one or more Original OTC Transactions for the clearing in the current Weekly Clearing Cycle pursuant to Paragraph 2, this shall be binding on the respective counterparty of each Original OTC Transaction which has not been released and, if different, the relevant Clearing Member of such counterparty, respectively, and such Clearing Member shall not be entitled to request the inclusion of Excluded Transactions into the clearing.
- (6) After the final forecast report pursuant to Paragraph 3 has been made available and following the release by the relevant Clearing Members pursuant to Paragraph 4, on the same business day Eurex Clearing AG makes available a final report in its system to the Clearing Members that confirms which Original OTC Transactions as of that day fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable. In addition, this final report shows the Original OTC Transactions which will not be novated nor be cleared by Eurex Clearing AG within the current Weekly Clearing Cycle pursuant to Paragraphs 2.(3) — If a Clearing Member does not release one or more Original OTC Transactions for the clearing in the current Weekly Clearing Cycle pursuant to paragraph 2, this shall be binding on the respective counterparty or the relevant Clearing Member, respectively, of each Original OTC Transaction which has not been released and this Clearing Member shall not be entitled to request the inclusion of Excluded Transactions into the clearing.
- (4) — After the updated preliminary report pursuant to paragraph 1 has been made available, on the same business day Eurex Clearing AG makes available a final report in its system to the Clearing Members that confirms which Original OTC Transactions as of that day fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable. In addition, this final report shows the Original OTC Transactions which will not be novated nor be cleared by Eurex Clearing AG within the current Weekly Clearing Cycle pursuant to paragraphs 2 and 3 or which do not fulfill the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable.

1.2.3.3 Time of Novation

- (1) Novation occurs on each Friday at the time when all of the following conditions are fulfilled ("Time of Novation"):
- the Novation Criteria pursuant to Chapter VIII Number 1.2.2 Items 1 to 6 and 8, Number 2.1.5, Number 2.2.1.2 and Number 2.3.1.2, as applicable,
 - deposit of sufficient collateral by the relevant Clearing Member with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7, and
 - the OTC Trade Event Report being made available to the relevant Clearing Members by Eurex Clearing AG in its system.
- (2) If the OTC Trade Event Report has been made available to Clearing Members by Eurex Clearing AG and if for any reason such report shows Original OTC Transactions of a Clearing Member that has not deposited sufficient collateral with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7, then novation pursuant to paragraph 1 will not occur with respect to the Original OTC Transactions affected by the non-fulfillment of the obligation to deposit sufficient collateral. In this case, novation pursuant to paragraph 1 will not occur regarding any Original OTC Transaction listed in OTC Trade Event Report of the respective counterparties with the Clearing Member which has not deposited sufficient collateral with Eurex Clearing AG pursuant to Chapter VIII Number 1.2.2 Item 7. Eurex Clearing AG will send a separate notice amending the OTC Trade Event Report to the relevant Clearing Members, as soon as practicable, informing them about the Original OTC Transactions listed in the OTC Trade Event Report for which novation has not occurred pursuant to paragraph 1.
- (3) Eurex Clearing AG may suspend a Weekly Clearing Cycle after notifying the Clearing Members at least 10 business days prior to the Friday (Chapter VIII Number 1.2.3.3 Paragraph 1) of such Weekly Clearing Cycle. On such Friday, novation pursuant to paragraph 1 will not occur.

1.2.3.4 Adjustments within the Weekly Clearing Cycle

If an action pursuant to Chapter VIII Numbers 1.2.3.1 to 1.2.3.3 is to be taken on a day which is not a business day the following shall apply:

- if the action is to be taken on a Wednesday (Chapter VIII Numbers 1.2.3.1) such action shall be taken on the business day preceding such day,
- if the action is to be taken on a Thursday (Chapter VIII Numbers 1.2.3.2) such

action shall be taken on the business day preceding such day; in this case the action which is to be taken on a Wednesday (Chapter VIII Numbers 1.2.3.1) shall be taken on the business day preceding such day, as well,

- if the action is to be taken on a Friday (Chapter VIII Numbers 1.2.3.3) such action shall be taken on the business day preceding such day; in this case each of the actions which are to be taken on a Thursday and on a Wednesday (Chapter VIII Numbers 1.2.3.2 and 1.2.3.1) shall be taken on the business day preceding such day, as well.

1.2.4 Transactions after Novation (CCP Transactions)

- (1) A CCP Transaction shall only be concluded between Eurex Clearing AG and a Clearing Member. The CCP Transactions of the Clearing Member shall be booked on accounts for CCP Transactions kept by Eurex Clearing AG for the Clearing Member pursuant to Chapter I Number 4.1 of the Clearing Conditions which applies mutatis mutandis.
- (2) As a Registered Customer is not itself authorised to engage in clearing activities, its Original OTC Transactions may only be cleared and novated through the Clearing Member (Chapter VIII Number 1.1.1 of the Clearing Conditions) through which its respective CCP Transactions are settled.
- (3) Whenever an Original OTC Transaction is entered into the system of Eurex Clearing AG via an Approved Trading Source System on behalf of a Registered Customer and is novated by Eurex Clearing AG, a transaction takes place between such Registered Customer and the Clearing Member ("CCP Customer Transaction") that corresponds to the CCP Transaction between the relevant Clearing Member and Eurex Clearing AG. Subject to the relevant Clearing Agreement between the Registered Customer, its Clearing Member and Eurex Clearing AG ("RC-CM Clearing Agreement"), the CCP Customer Transaction shall have the same terms as the relevant CCP Transaction. For the avoidance of doubt, if any provision of a CCP Customer Transaction is not valid or not enforceable vis-à-vis the respective Registered Customer, this shall not affect the CCP Transaction between Eurex Clearing AG and the relevant Clearing Member.

1.2.5 Cancellation of CCP Transactions

- (1) Eurex Clearing AG shall cancel the CCP Transactions resulting from the novation of a OTC Derivatives Transaction, if the following conditions are fulfilled:

- the Clearing Members which as buyer and seller are a party to equivalent CCP Transactions in respect of the same notional amount and, if in addition the novation resulted in CCP Customer Transactions, the respective Registered Customers that are parties to these CCP Customer Transactions, request vis-à-vis Eurex Clearing AG after the Time of Novation, but not later prior to the start of the next Offset Process (Chapter VIII Number 2.1.6 of the Clearing Conditions), to cancel the respective CCP Transactions and the CCP Customer Transactions respectively, if any,
- the cancellation of each of the CCP Transactions requested does not result in insufficient margin coverage of one of the requesting Clearing Members, and
- the novation criteria set out in Chapter VIII Number 2.1.5 (which shall apply mutatis mutandis) must be met by the CCP Transactions pursuant to Subpart 2 which are requested to be cancelled.

- (2) The request shall be submitted via telephone (phone: +49 (0) - 69 – 211 11250), via fax (fax no: +49 (0) – 69 – 211-1844014334) or electronically via e-mail to eurexcreditclearmsbackoffice@eurexclearing.com.

1.3 Sub-Part Margining

1.3.1 Determination of Margin to be maintained

- (1) Instead of Chapter I Number 3.1 Paragraph 1 to 3 and Paragraph 5 as well as Paragraph 6 the following applies:
- a) On every business day (Chapter I Number 1.1 Paragraph 8), each Clearing Member is required to maintain margin in the amount to be determined by Eurex Clearing AG to cover all of its obligations resulting from the CCP Transactions and other transactions concluded with Eurex Clearing AG pursuant to the Clearing Conditions.
 - b) Such margin may be provided in cash or in securities or book-entry securities (Wertrechte) acceptable to Eurex Clearing AG. Eurex Clearing AG shall calculate the amount of margin from the total sum of the obligations of the Clearing Member. The total sum of the obligations shall result from the sum of the own- and customer account for CCP Transactions and of the obligations of the Clearing Member booked in the own- and customer account for Registered Customer

transactions.

- c) Each Clearing Member must collect margin from each of its customers in an amount which is not less than the amount determined on the basis of the formula applied by Eurex Clearing AG which formula Eurex Clearing AG may amend from time to time.
- (2) Eurex Clearing AG will calculate the difference between the market values taking the evaluation prices of the immediately preceding day and of the current day into account ("Mark to Market Margin").
- (3) In addition to the margin required under Paragraph 2, a further margin requirement ("Next Day Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all CCP Transactions not yet performed assuming the least favourable price developments, as determined by Eurex Clearing AG.
- (4) Eurex Clearing AG will determine a liquidation factor considering the estimated period of time to close-out CCP Transactions. The liquidation factors determined will be included into the calculation of the Next Day Margin pursuant to Paragraph 3 as well as in the calculation of Accrued Premium Margin pursuant to Chapter VIII Number 2.1.10 Paragraph 3.
- (5) The basis for the determination of margin to be maintained are the obligations to be performed per account in all CCP Transactions, whereby, per account the net position of the respective CCP Transactions will be considered.
- (6) The margin determined for the Principal Account for CCP Transactions shall be added to the margin determined for the Agent Account for CCP Transactions; credit balances shall not be taken into account. Sentence 1 shall apply accordingly to the calculation of the margin for the respective accounts for CCP Transactions which Registered Customers clear through their Clearing Members. The total margin requirement applicable to a Clearing Member shall be determined by aggregating the margin requirements for CCP Transactions determined pursuant to sentence 1 and the margin requirements for CCP Transactions pursuant to sentence 2; credit balances shall not be taken into account.
- (7) In case CCP Transactions are to be settled via physical delivery of securities the provisions of Chapter I Number 3.1 Paragraph 2 and Paragraph 3 shall apply mutatis mutandis.
- (8) Regarding the determination of margin the provisions of Chapter I Numbers 3.2, 3.3, 3.4 and 3.5 shall apply mutatis mutandis.

1.4 Sub-Part Accounts

1.4.1 Accounts of Clearing Members

Eurex Clearing AG undertakes to keep a Principal Account and an Agent Account for each Clearing Member, on which the CCP Transactions of the Clearing Member are booked. Insofar Chapter I Part 4 applies mutatis mutandis. Whereas, with regard to CCP Transactions which Registered Customers or other customers of Clearing Members clearing through their Clearing Members, such CCP Transactions have to be booked on the relevant Agent Account.

1.5 Sub-Part General Obligations

1.5.1 Business and contractual obligations

- (1) For the clearing of OTC Derivatives Transactions, Chapter I applies mutatis mutandis, unless otherwise provided in Chapter VIII.
- (2) A Clearing Member is, regardless of the regulations in Chapter VIII Sub-Part 1.2, obligated to fulfil all liabilities resulting from CCP Transactions to which it is a party.
- (3) Regarding any deliveries, if any, and payments resulting from CCP Transactions, Chapter I Number 1.5 applies mutatis mutandis.
- (4) Eurex Clearing AG shall be a contracting party to any all-deliveries, if any, and all payments under a CCP Transaction arising out of the clearing and settlement of transactions after the novation of Original OTC Transactions, unless expressly stated herein otherwise.
- (5) Clearing Members must fulfil their delivery obligations, if any, and payment obligations under a CCP Transaction in accordance with the instructions of Eurex Clearing AG.
- (6) If a Clearing Member is or will be obliged to deduct or withhold a tax amount or other fiscal charge from a payment which it is to make, it shall pay to Eurex Clearing AG such additional amounts as are necessary to ensure that Eurex Clearing AG receives

the full amount to which it would have been entitled at the time of such payment if no deduction or withholding had been required. If a Clearing Member is or will be obliged to pay such additional amounts pursuant to sentence 1, the Clearing Member shall not be entitled due to such obligation to terminate a CCP Transaction. Sentences 1 and 2 apply to CCP Customer Transactions between Clearing Members and their Registered Customers mutatis mutandis.

1.5.2 -Exclusion of a Registered Customer from the clearing of OTC Derivatives Transactions

- (1) If a Registered Customer fails to provide the margin fixed by its Clearing Member or to effect any daily payment in a timely manner, the Registered Customer may – upon written request to Eurex Clearing clearing-AG by the Clearing Member - be excluded from the clearing of OTC Derivatives Transactions) for the duration of such failure.

Upon receipt of such request Eurex Clearing AG will enter the exclusion into its system without undue delay and from that time the provisions of Chapter VIII Number 1.2.1 in conjunction with Number 1.2.4 do not apply.

- (2) If a Registered Customer has been excluded from clearing of OTC Derivatives Transactions, the Clearing Member may request that ~~Eurex Clearing AG~~ close the transactions or positions of such Registered Customer. The costs of such closing shall be borne by the Registered Customer~~Clearing Member~~.

1.6 Sub-Part Cash Claims

1.6.1 Daily Setoff of Cash Claims

Eurex Clearing AG shall set off all cash claims of the same currency under the CCP Transactions concluded pursuant to this Chapter vis-à-vis the Clearing Members on a daily basis; such claims not being fulfilled against security deliveries.

For the declaration of the setoff, Chapter I, Number 1.4.2 shall apply.

1.7 Sub-Part

Emergencies

- (1) The Executive Board of Eurex Clearing AG may adopt a resolution in response to an Emergency ("Emergency Resolution") which shall supersede and supplant all contrary or inconsistent resolutions or provisions of Chapter VIII of the Clearing Conditions, except for this provision. In case of urgent matters, such decision may be taken by a senior officer generally appointed by the Executive Board of Eurex Clearing AG for such purposes provided that the decision by such officer is afterwards approved by the Executive Board of Eurex Clearing AG.
- (2) As used herein, the term "Emergency" shall include, without limitation,
 - a) the occurrence of an event or circumstance in which, as determined by Eurex Clearing AG, market condition is likely to have an effect on the ability of Eurex Clearing AG to arrange for a fair and orderly settlement, and that absent action, the functioning of the clearing system operated by Eurex Clearing AG pursuant to the provisions of Chapter VIII of the Clearing Conditions is likely to be impaired,
 - b) a banking moratorium shall have been declared in respect of a Clearing Member holding a CD Clearing License by the United States Federal or New York State authorities.
- (3) Except as otherwise stated in an Emergency Resolution adopted hereunder or a respective Emergency action, the powers exercised by Eurex Clearing AG under this provision shall be in addition to and not in derogation of authority granted elsewhere in these Clearing Conditions to Eurex Clearing AG.

Part 2

Clearing of OTC Credit Derivatives Transactions

The following subparts shall rule the clearing of OTC Credit Derivatives transactions included in the clearing by Eurex Clearing AG.

2.1 Sub-Part: General Provisions

2.1.1 Applicable Sections

The "General Provisions" of Chapter VIII Part 1 apply to all OTC credit derivatives transactions to be included in the clearing and settlement by Eurex Clearing AG ("OTC Credit Derivatives Transactions") unless specific rules set forth in this Part 2 of Chapter VIII, which deviate from the "General Provisions" set out in Chapter VIII Part 1, apply to the respective OTC Credit Derivatives Transactions.

2.1.2 Consultation of Clearing Members/ Committees

2.1.2.1 Determinations~~Determination~~ of Transactions for Clearing

In consultation with the shareholders of Credit Distribution and Service Company GmbH ("CDS Company"), ~~an affiliate of Eurex Clearing AG,~~ Eurex Clearing AG determines which Product Types of OTC Credit Derivatives Transactions may be included in the clearing. Eurex Clearing AG shall publish the Product Types of OTC Credit Derivatives Transactions, which are included in the clearing, electronically to the Clearing Members by making the relevant Product Types available on the website of Eurex Clearing AG (www.eurexclearing.com).

2.1.2.2 Consultation of Committees

Eurex Clearing AG will establish committees consisting of Clearing Members holding a CD Clearing License for the following subjects related to the clearing of OTC Credit Derivatives Transactions (each a "CDS Market Committee"):

1. Risk matters (CDS Market Committee "Risk");
2. Amendments to the Clearing Conditions relating to the clearing of OTC Credit Derivatives Transactions (CDS Market Committee "Clearing Conditions"); and
3. Operational matters (CDS Market Committee "Operations").

Eurex Clearing AG will consult the relevant CDS Market Committee before taking a decision on any material amendments to its processes or methods, or to the Clearing Conditions, relating to the matters 1. to 3. above as well as in the cases where the Clearing Conditions expressly provide for a consultation of a CDS Market Committee before any action is taken.

2.1.3 References to ISDA Documentation / Representations

(1) The following standard market documentation which has been developed for documenting credit derivatives and published by the International Swaps and Derivatives Association, Inc. ("ISDA") is referenced in these Clearing Conditions in accordance with items a) to e) paragraph (2) below:

a(1) The provisions and definitions of the 2003 ISDA Credit Derivatives Definitions (the "2003 Definitions") as supplemented by the May 2003 Supplement and the 2005 Matrix Supplement to the 2003 Definitions (the "May 2003 Supplement" and "2005 Matrix Supplement"), and by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 Definitions and (the "2009 Supplement"; the 2003 Definitions as supplemented by the May 2003 Supplement, the 2005 Matrix Supplement and the 2009 Supplement, including the Rules^{CDD} and Credit Derivatives Auction Settlement Terms^{CDD} referred to therein, are hereinafter referred to as the "Credit Derivatives Definitions").

b(2) The Credit Derivatives Definitions shall be incorporated by reference into this Chapter VIII of the Clearing Conditions to the extent that (i) explicit reference is made to such provisions or (ii) any terms defined in the Credit Derivatives Definitions are marked in these Clearing Conditions by adding the three letters "CDD" as superscript and (iii) any capitalised terms are used in the provisions or definitions of the Credit Derivatives Definitions incorporated in accordance with (i) and (ii) above. Any terms marked by adding the three letters "CDD" as superscript as well the capitalised terms referred to under (iii) above shall have the meaning assigned to such terms in the Credit Derivatives Definitions, to the extent such terms are not otherwise defined herein.

c(3) Any reference in the Credit Derivatives Definitions to:

- a "Confirmation" shall be a reference to the provisions of this Chapter VIII, Part 2 of the Clearing Conditions as applicable to the relevant CCP Transaction and as supplemented by the relevant OTC Trade Event Report;

- a "Credit Derivatives Transaction" shall be a reference to a CCP Transaction entered into pursuant to this Sub-Part 2.1 of Chapter VIII of the Clearing Conditions unless expressly stated otherwise in this Chapter VIII.

d(4) In case of any inconsistency between the Credit Derivatives Definitions and the Clearing Conditions of Eurex Clearing AG, these Clearing Conditions will

govern.

(5) Notwithstanding, and without prejudice to the fact, that the Clearing Conditions (including this Subpart 2.1 of Chapter VIII) shall be governed by the law of the Federal Republic of Germany, market standard credit derivative terms contained in the definitions and provisions of the Credit Derivatives Definitions incorporated into these Clearing Conditions by reference pursuant to this Paragraph 1 and Paragraph 3 as well as in the provisions and definitions set forth in Chapter VIII Numbers paragraph 2.1.5, 2.1.13, 2.1.15, 2.1.16, 2.1.16.1, 2.1.16.2, 2.1.16.3 and 2.1.16.4 as well as the Sub-parts 2.2 and 2.3 shall be interpretedeonstrued in accordance with international market practice of credit derivative transactions and shall be given the same meaning as those terms would have inEnglish law governed credit derivative transactions documented on the basis of documentation published by ISDA.

(2) Section 9.1 (Additional Representations and Agreements of the Parties) of the Credit Derivative Transactions shall be incorporated in the Clearing Conditions and apply to Clearing Members holding a CD License and Eurex Clearing AG.

2.1.4 Granting of the Clearing License

With respect to the clearing of OTC Credit Derivatives transactions, only one form of Clearing License will be issued (named "Credit Derivatives Clearing License" or "CD Clearing License") which forms a subgroup of an OTC Clearing License (Chapter VIII Number 1.1.1 of the Clearing Conditions) and which entitles the holder thereof to clear its own transactions, transactions of its Registered Customers and customers' transactions.

2.1.4.1 Prerequisites of the Clearing License

- (1) With regard to the prerequisites to be fulfilled within the scope of the granting of the CD Clearing License, Chapter I Number 2.1 Paragraph 3 and Paragraph 4 as well as Number 2.2 except for Number 2.2. Paragraph 4 b), g), and h) of the Clearing Conditions applies.
- (2) In addition to paragraph 1 the institution applying for a clearing license shall meet the following requirements:

- a) Payment of the contribution to a separate Clearing Fund regarding OTC Credit Derivatives transactions according to Chapter VIII Number 2.1.7.1 ("Credit Clearing Fund") of the Clearing Conditions.
- b) Evidence shall be provided regarding the participation within the central settlement service for over-the-counter (OTC) credit derivatives transactions, including the participation within the Central Payment Service or equivalent services of the relevant Approved Trade Source System and granting of the appropriate authorization to Eurex Clearing AG for purposes of capturing and maintaining records by Eurex Clearing AG vis-à-vis an Approved Trade Source System, provided this is necessary for the clearing of transactions named in the following Sub-Parts.

In case Eurex Clearing AG has, on written request of the CM, explicitly allowed the CM to use instead of its own accounts or of its own access to the Central Payment Service with an Approved Trade Source System the accounts and / or the access to the Central Payment Service of a Registered Customer with an Approved Trade Source System, the CM shall provide to Eurex Clearing AG an appropriate authorization of the Registered Customer.

- c) Evidence shall be provided for an account with CLS Bank International to perform cash payments resulting out of Fixed Payments (Chapter VIII Number 2.1.15 of the Clearing Conditions) and Credit Events (Chapter VIII Number 2.1.16 of the Clearing Conditions).
Eurex Clearing AG may, upon written application, allow the use of accounts of a correspondent bank having a cash account with CLS Bank International and which is recognised by Eurex Clearing AG.
- d) Execution of a separate standard Daily Evaluation Price Document (Chapter VIII Number 2.1.9 b) of the Clearing Conditions).
- e) Execution of a separate standard Data and Services Supplement.

2.1.5 Novation Criteria regarding OTC Credit Derivatives Transactions

- (1) With regard to the novation of OTC Credit Derivatives Transactions criteria set out in the following provision shall apply in addition to the novation criteria pursuant to Chapter VIII Number 1.2.2 of the Clearing Conditions.
- (2) The additional novation criteria regarding OTC Credit Derivatives Transactions are:

- OTC Credit Derivatives Transactions must have a remaining term to the Scheduled Termination Date^{CDD} that is greater or equal to one business day at the time when such transactions are entered by an Approved Trade Source System on behalf of Clearing Members and / or their Registered Customers into the system of Eurex Clearing AG;
- The date of novation shall be not earlier than three business days after the Original Trade Date (Chapter VIII Number 2.1.11 of the Clearing Conditions) and not earlier than two business days after the date on which the OTC Credit Derivatives Transaction was matched by the relevant Approved Trade Source System.
- The date of novation shall be at least two business days before the next Fixed Rate Payer Payment Date pursuant to Chapter VIII Number 2.1.15 Paragraph para- 1 and 2 of the Clearing Conditions.
- In case a Credit Event^{CDD} (other than a Restructuring^{CDD} Credit Event^{CDD}) and an Auction^{CDD} have been Resolved^{CDD} by an ISDA Credit Derivatives Determinations Committee^{CDD} and no Auction Cancellation Date^{CDD} has occurred, the date of novation of an OTC Credit Derivatives Transaction that is affected by such Credit Event^{CDD} (including an OTC Credit Derivatives Transaction that is linked to an index a component of which is affected by such Credit Event^{CDD}) shall be at least one business day prior to each of the Auction Date^{CDD} and the relevant Scheduled Termination Date.
- In case a Credit Event^{CDD} (other than a Restructuring^{CDD} Credit Event^{CDD}) has been Resolved^{CDD} which is not followed by an Auction^{CDD}, (a) the Original Trade Date of an OTC Credit Derivatives Transaction has occurred on or prior to the Auction Cancellation Date^{CDD} or on or prior to the date that is 21 calendar days following the No Auction Announcement Date^{CDD}, if any, as applicable, and (b) the date of novation occurs at least one business day prior to the No Auction Announcement Date^{CDD}.
- In case a Restructuring^{CDD} Credit Event^{CDD} was Resolved^{CDD}, the date of novation shall be at least one business day prior to the Exercise Cut-off Date^{CDD} applicable to the Seller~~date on which ISDA publishes the Final List^{CDD} of Deliverable Obligations^{CDD} on its Website^{CDD} (Chapter VIII Number 2.1.16-2 Paragraph 2 of the Clearing Conditions) or, in case of Chapter VIII Number 2.1.16.2 Paragraph 4, Eurex Clearing AG delivers to the relevant Clearing Members the Notice of~~

~~Deliverable Obligations (Chapter VIII Number 2.1.16.2 Paragraph 6 of the Clearing Conditions), as the case may be.~~

- ~~— In case a Restructuring^{CCP} Credit Event^{CCP} was Resolved^{CCP}, the date of novation shall be at least one business day prior to the Exercise Cut-off Date (Chapter VIII Number 2.1.16 Paragraph 3 Sub-Paragraph b of the Clearing Conditions)~~
- Any applicable product-specific novation criteria set out in the following Subparts of this Part 2 of Chapter VIII of the Clearing Conditions are met.

- (3) The relevant OTC Credit Derivatives Transaction will be replaced by two CCP Transactions and, if applicable, by one or two CCP Customer Transactions (Chapter VIII Number 1.2.1 to Number 1.2.4 of the Clearing Conditions).

2.1.6 Netting Agreement

Eurex Clearing AG may agree with a Clearing Member upon netting of claims under CCP Transactions pursuant to Chapter VIII. In this case, the netting shall be carried out on basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member (Offset Process).

Such agreement may be terminated by the Clearing Member with the effect on the business day following the receipt of termination notice by Eurex Clearing AG.

2.1.6.1 CCP Transactions included in the Offset Process

All CCP Transactions occurred on or before the Netting Date (Chapter VIII Number 2.1.6.4 of the Clearing Conditions) are eligible for netting. The claims under the CCP Transactions are required to be able to be netted.

Claims under CCP Transaction can be netted if the CCP Transactions have been defined for netting by the respective Clearing Member. The definition of the CCP Transactions shall take place pursuant to Number 2.1.6.2 by the Clearing Members with determination of the netting units. The aforementioned declaration shall be submitted in a form and within a deadline determined by Eurex Clearing AG.

2.1.6.2 Netting Units

- (1) A netting unit shall be generated from the CCP Transactions of the same Product Type which are identical in all material aspects other than the notional amount.

A netting unit shall be defined by the following characteristics:

- the account assigned under Chapter VIII Number 1.4.1 or individual CCP Transactions marked by the respective Clearing Member or Registered Customer for netting, and
 - the novation criteria set out in Number 2.1.5 (which shall apply mutatis mutandis) are fulfilled.
- (2) The claims resulting from the CCP Transactions supposed to be set off shall be summarized as netting units within which the netting takes place.

2.1.6.3 Netting Procedure

- (1) Within the chosen netting units, the claims under the CCP Transactions selected for netting shall, as far as possible, be set off with each other. Upon closing of the netting, all claims resulting from CCP Transactions in the relationship between Eurex Clearing AG and the Clearing Member that were set-off are fulfilled.
- (2) The remaining claims under CCP Transactions which cannot be netted pursuant to Chapter VIII Number 2.1.6.2 shall be novated to one single CCP Transaction of the same Product Type with the accumulated notional of the novated CCP Transactions. Due to the novation the remaining CCP Transaction shall be discharged and replaced by one CCP Transaction.
- (3) As soon as the netting and the novation of CCP Transactions has been concluded, Eurex Clearing AG shall inform the Clearing Member about the resulting CCP Transactions.

2.1.6.4 Netting Date

The netting shall generally take place in the system of Eurex Clearing AG on each date on which novation occurs pursuant to Chapter VIII Number 1.2.3.3 (each, a "Netting Date").

2.1.7 Clearing Fund regarding OTC Credit Derivatives Transactions

2.1.7.1 Calculation of the Contribution to the Credit Clearing Fund

- (1) Irrespective of the provision of other margin, each Clearing Member shall be obligated to pay a contribution to the Credit Clearing Fund. The amount of the contribution to be provided by each Clearing Member shall be determined by Eurex Clearing AG according to the method of calculation announced by it. Basis for the calculation of the contribution to the Credit Clearing Fund are all OTC Credit Derivatives Transactions of the respective Clearing Member and its respective Registered Customer novated and cleared by Eurex Clearing AG.
- (2) The contribution to the Credit Clearing Fund calculated pursuant to Paragraph 1 shall be paid by each Clearing Member respectively with the granting of the Clearing License. It will be verified every quarter and adapted if necessary.

2.1.7.2 Provision of the Contribution to the Credit Clearing Fund

- (1) The contribution to the Credit Clearing Fund shall be provided by cash or securities collateral. Chapter I Number 2.2 Paragraph 3, Clause 7 to 9 of the Clearing Conditions shall apply accordingly.
- (2) Each Clearing Member shall explicitly give notice to Eurex Clearing AG regarding every collateral contribution that such contribution is dedicated to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7.1 of the Clearing Conditions to enable Eurex Clearing AG to register such collateral accordingly.

2.1.7.3 Contributions of Eurex Clearing AG to the Credit Clearing Fund

Eurex Clearing AG may use funds from its annual surplus to set aside reserves for the Credit Clearing Fund in order to contribute to the fulfilment of the obligations of any Clearing Member that may default on its obligations. In case such reserves are to be used Eurex Clearing AG will allocate these reserves as follows:

- (a) determination of the total margin requirements of all Clearing Members holding a clearing license pursuant to Chapter VIII and which are not in default due to Chapter I Number 7.1 of the Clearing Conditions as well as determination of the total margin requirements of all Clearing Members holding a clearing license pursuant to Chapter II to Chapter VII and which are not in default due to Chapter I Number 7.1 of the Clearing Conditions;
- (b) sum up of each of the total margin requirements determined pursuant to Sub-paragraph (a) ("Overall Margin Requirement") and calculate the ratio of each total margin requirement under Sub-paragraph (a) in relation to the Overall Margin Requirement;
- (c) usage of reserves by allocating them to the Clearing Fund and the Credit Clearing Fund, in each case in the amount derived from the ratio of the relevant total margin requirement under Sub-paragraph (a) in relation to the Overall Margin Requirement calculated pursuant to Sub-paragraph (b).

2.1.7.4 Realisation of the Credit Clearing Fund

- (1) The contribution to the Credit Clearing Fund provided by a Clearing Member may be used to cover the financial consequences of a default (Chapter VIII Number 2.1.8 of the Clearing Conditions) in the event of non-fulfilment of the obligations from clearing CCP Transactions by itself or by any other Clearing Member, also for purposes of curing financial consequences from occurrence of an event resulting in termination of the clearing license of this or another Clearing Member pursuant to Chapter I Number 2.4 Paragraph 2 of the Clearing Conditions. Clause 1 shall also apply with regard to the compensation of claims of Eurex Clearing AG vis-à-vis Clearing Members which have occurred in connection with the termination of a clearing license pursuant to Chapter I Number 2.4 Paragraph 2 item c and item d in connection with Chapter I Number 8.2.5 and 8.2.6 Paragraph 2 of the Clearing Conditions.
- (2) In case any compensation must be provided for any financial consequences within the meaning of Paragraph 1, Eurex Clearing AG shall – for purposes of compensation of its claims vis-à-vis Clearing Members – realise securities in accordance with the following order of priority:
 - 1. Collateral of the obligated Clearing Member other than that indicated in Chapter VIII Number 2.1.7.1 and Chapter VIII Number 2.1.7.2 of the Clearing Conditions,
 - 2. the contribution to the Credit Clearing Fund of the obligated Clearing Member pursuant to Chapter VIII Number 2.1.7.1 and Chapter VIII Number 2.1.7.2 of the

Clearing Conditions and any surplus pursuant to Chapter I Section 6.2 Paragraph 2 No. 1 and No. 2 of the Clearing Conditions,

3. The reserves of Eurex Clearing AG pursuant to Chapter VIII Number 2.1.7.3 of the Clearing Conditions.
 4. the contributions of all other Clearing Members to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions which shall be realised on a pro rata basis.
- (3) If a defaulting Clearing Member (Chapter I Number 7.1 of the Clearing Conditions) provides the payment owed after Eurex Clearing AG has realised the contributions of other Clearing Members to the Credit Clearing Fund (Chapter VIII Number 2.1.7.4 Paragraph 2 of the Clearing Conditions), Eurex Clearing AG shall replenish the contributions of the other Clearing Members with this payment on a pro rata basis, up to the amount of effected realisation at the most.
- (4) Furthermore, the contribution to the Credit Clearing Fund provided by a Clearing Member pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions may also be used to cover the financial consequences of a default by itself or by any other Clearing Member with respect to their obligations arising out of the clearing of OTC Credit Derivatives Transactions.
- (5) The contribution provided by a Clearing Member to the Credit Clearing Fund pursuant to Chapter VIII Number 2.1.7 of the Clearing Conditions may also be used to cover the financial consequences of a circumstance which leads to a termination of the clearing license of this or of another Clearing Member pursuant to Chapter I Number 2.4 of the Clearing Conditions.
- (6) In such cases, Paragraphs 1 to 3 above and Chapter VIII Numbers 2.1.7.6 and 2.1.7.7 of the Clearing Conditions shall apply mutatis mutandis.

2.1.7.6 Replenishment of Contributions to the Credit Clearing Fund

Any realised contribution to the Credit Clearing Fund shall be replenished by the Clearing Member to its original amount within ten business days. This obligation to replenish shall apply to a Clearing Member once only, if the Clearing Member terminates its Clearing License by means of a written statement to Eurex Clearing AG no later than on the fifth business day following such realisation.

2.1.7.7 Release of the Contributions to the Credit Clearing Fund

- (1) If Eurex Clearing AG or a Clearing Member terminates the Clearing Membership, Eurex Clearing AG shall release the contribution of the respective Clearing Member to the Credit Clearing Fund one month after notice is given of such termination, but in any event not earlier than one month after the day upon which all OTC Credit Derivatives Transactions in the accounts for which the respective Clearing Member handles the Clearing have been cleared. The same shall apply mutatis mutandis to collateral pursuant to Chapter I Number 2.2 Paragraph 3 of the Clearing Conditions.
- (2) If another Clearing Member holding a CD Clearing License is in default at the time of the termination of a CD Clearing License by a Clearing Member, or if another Clearing Member holding a CD Clearing License falls into default prior to the date on which a contribution to the Credit Clearing Fund is to be released, the release, contrary to Paragraph 1, shall only be effected after all obligations of such defaulting Clearing Member to Eurex Clearing AG have been satisfied.

2.1.8 Default of Clearing Member

2.1.8.1 Event of Default

Instead of Chapter I Number 7.1 Paragraph 5 of the Clearing Conditions the following applies:

- (1) If a Clearing Member is in default pursuant to Chapter I Section 7.1 of the Clearing Conditions, Eurex Clearing AG will not perform novation of Original OTC Transactions of the Clearing Member in default pursuant to Chapter VIII Number 1.2 of the Clearing Conditions. At the same time, Eurex Clearing AG will not perform novation of Original OTC Transactions of Registered Customers with the concerned Clearing Member. All existing CCP Transactions shall be closed by the respective Clearing Member in accordance with Eurex Clearing AG by concluding an inverse Original OTC Transaction (the "Closing") or be transferred to another Clearing Member. The Clearing Member in default shall immediately notify its Registered Customers thereof, so that they can make preparations for transfer of their CCP Transactions to another Clearing Member. Eurex Clearing AG shall monitor the closing respectively transfer of the open CCP Transactions.
- (2) If the Closing respectively transfer of CCP Transactions has not been concluded

by the respective Clearing Member within a certain adequate period of time set by Eurex Clearing AG in individual cases and in accordance with the instructions of Eurex Clearing AG, Eurex Clearing AG may carry out the Closing of these CCP Transactions on behalf of the Concerned Clearing Member after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may take such action without consultation. Insofar Chapter I Number 8.1 of the Clearing Conditions applies mutatis mutandis.

- (3) If the Closing of CCP Transactions pursuant to Paragraph 2 could not be concluded by Eurex Clearing AG within a reasonable period of time, the Closing of CCP Transactions may be effected in the course of an auction determined by Eurex Clearing AG after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may make such determination without consultation. Such auction will take place amongst Clearing Members as well as Registered Customers. The execution of the auction and the fact, that an auction is used in order to close CCP Transactions, shall be announced in due time.
- (4) If the Closing of CCP Transactions pursuant to Paragraph 2 and Paragraph 3 above could not be performed successfully, Eurex Clearing AG may transfer the remaining CCP Transactions on a pro rata basis to Clearing Members after consultation with the CDS Market Committee "Operations" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may take such action without consultation. Basis for the pro rata transfer is the net outstanding nominal in the respective opposite CCP Transactions of the non-defaulting Clearing Member booked on their position accounts. Transfer will be based on the daily evaluation price (Chapter VIII Number 2.1.9 of the Clearing Conditions) of the previous business day determined by Eurex Clearing AG, to which a spread shall be added, or from which a spread shall be subtracted, depending on whether the remaining CCP Transactions are buy or sell transactions.

2.1.9 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price according to the true market conditions of the respective CCP Transaction and under consideration of its risk assessment. When determining the daily evaluation prices the procedure described below shall apply:

- a) The daily evaluation prices will be determined on the basis of the midpoint of bid-ask spreads determined according to the market conditions of the respective CCP Transaction and under consideration of the risk assessment of Eurex Clearing AG.
- b) Each Clearing Member holding a CD Clearing License is obliged to provide to Eurex Clearing AG on each business day not later than 5.p.m CET for each CCP Transaction in which it holds a position bid-ask spreads which will be taken into account, amongst other data sources, by Eurex Clearing AG to determine the daily evaluation price. With respect to the fulfillment of this obligation, incentives and penalties will apply in accordance with a separate standard document to be executed by each Clearing Member (the "Daily Evaluation Price Document").
- c) In case no daily evaluation price can be determined pursuant to Item a, the daily evaluation price shall be determined on basis of a theoretical price model.
- d) If it is not possible to determine a daily evaluation price pursuant to Item a and Item c or if the daily evaluation price so determined would not reflect the market conditions, Eurex Clearing AG shall determine the daily evaluation price at its equitable discretion after consultation with the CDS Market Committee "Risk" (Chapter VIII Number 2.1.2.2) provided that, in case of urgent matters, Eurex Clearing AG may make such determination without consultation.

2.1.10 Margin Requirements

- (1) With regard to the obligation to provide margin, Chapter VIII Number 1.3 applies in addition to the following provisions.
- (2) Eurex Clearing AG will calculate the Mark to Market Margin as the difference between the present values based on the price agreed between the buyer and the seller and the daily evaluation prices, whereby future cash flow of premiums (Fixed Amounts) will be discounted. For this purpose Eurex Clearing AG will use a formula in accordance with market standards.
- (3) Eurex Clearing AG will determine margin to cover the upcoming fixed premium payment (Fixed Payment) for every CCP Transaction daily ("Accrued Premium Margin"). Eurex Clearing AG will request the Accrued Premium Margin from the buyer of a CCP Transaction daily. The Accrued Premium Margin is set to zero as soon as the respective fixed premium payment (Fixed Payment) has been performed vis-à-vis Eurex Clearing AG.
- (4) Eurex Clearing AG will determine margin to cover risks resulting from a potential

or actual Credit Event^{CDD} ("Credit Event Margin"). The Credit Event Margin will be calculated on an account level and considers the credit events for the riskiest Reference Entities. Eurex Clearing AG will request the Credit Event Margin from the seller of a CCP Transaction daily.

2.1.11 General Definitions and Terms relating to CCP Transactions

- (1) The "Original Trade Date", the "Effective Date", and the "Scheduled Termination Date" shall be the dates shown as such for the relevant CCP Transaction in the OTC Trade Event Report unless otherwise defined in the following Subparts of Part 2 of these Clearing Conditions with respect to a specific Product Type of CCP Transactions. The Effective Date and the Scheduled Termination Date shall not be subject to adjustment in accordance with any Business Day Convention^{CDD} unless specified otherwise in Part 2 of these Clearing Conditions. Any reference in the Credit Derivatives Definitions to the "Trade Date" shall be deemed to be a reference to the Original Trade Date and any reference in the Credit Derivatives Definitions to an "Extension Date" shall be deemed to be a reference to the "Scheduled Termination Date".

~~The actual "Termination Date" is the Scheduled Termination Date unless the Termination Date is determined:~~

- ~~a) in the form of an Auction Settlement Date^{CDD} following an Auction^{CDD} (Chapter VIII Number 2.1.16.1 Paragraph 4);~~
- ~~b) in the form of a Bond Physical Settlement Date (Chapter VIII Number 2.1.16.4 Paragraph 1 of the Clearing Conditions) or the day of financial regulation upon expiry of a Delivery Period for Deliverable Obligations other than Bonds (Chapter VIII Number 2.1.16.5 Paragraph 1d of the Clearing Conditions) if the Fallback Settlement Method applies);~~
- ~~c) as provided for in Chapter VIII Number 2.1.16.2 Paragraph 5 of the Clearing Conditions;~~
- ~~d) as provided for in Chapter VIII Number 2.1.16.6 Paragraph 3 and 4 of the Clearing Conditions; or~~
- ~~e) as provided for in Chapter VIII Number 2.1.16.7 Paragraph 1 of the Clearing Conditions.~~

- (2) "CD Business Day" shall be each business day defined as such in this Part 2 of Chapter VIII of the Clearing Conditions for the relevant Product Types. Any reference in the Credit Derivatives Definitions to a "Business Day" shall be a reference to a CD Business Day.
- (3) "Relevant City Business Day" shall have the meaning given to it in the Rules^{CDD}.
- (4) Section 2.11 of the Credit Derivatives Definitions (Business Day Convention) shall apply mutatis mutandis except for Section 2.11 (c) which shall read as follows: If the last day of any period calculated by reference to calendar days in Chapter VIII, Part 2 of the Clearing Conditions or in any provisions or definitions of the Credit Derivatives Definitions incorporated herein pursuant to Section 2.1.3. falls on a day that is not a CD Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day Convention^{CDD}, provided that if the last day of any period is the Credit Event Backstop Date^{CDD} or the Succession Event Backstop Date^{CDD}, such last day shall not be subject to any adjustment in accordance with the any Business Day Convention.
- (5) When used in the Credit Derivatives Definitions, the term "Affiliate" means, in relation to any person, any entity controlled, directed or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.
- (6) Section 1.10 (*Requirements Regarding Notices*) of the Credit Derivatives Definitions shall apply mutatis mutandis unless provided for otherwise in this Part 2 of Chapter VIII.

2.1.12 Calculation Agent and Eurex Determinations Committee

- (1) Eurex Clearing AG shall act as calculation agent (the "Calculation Agent") with respect to all CCP Transactions. The Calculation Agent shall be responsible for the calculations and determinations that are expressly assigned to it in these Clearing Conditions. The "Calculation Agent City^{CDD}" shall be Frankfurt am Main. The Calculation Agent shall consult the Clearing Members holding a CD Clearing License before making any determinations if such consultation is expressly provided for in this Chapter VIII.

- (2) Where this Chapter VIII provides that a determination is made by a Eurex Determinations Committee, the relevant determination will be made by a committee established by Eurex Clearing AG (a "Eurex Determinations Committee") which consists of representatives of the Clearing Members holding a CD Clearing License and a representative of Eurex Clearing AG and the decisions of which will be made in accordance with the respective statutes published by Eurex Clearing AG on its website www.eurexclearing.com after consultation with the Clearing Members.
- (3) In the absence of a manifest error, any determinations made by the Calculation Agent or a Eurex Determinations Committee or an ISDA Credit Derivatives Determinations Committee^{CDD} shall be binding on all parties.

2.1.13 Reference Entity and Succession Events; Substitute Reference Obligations

- (1) "Reference Entity" means the entity or entities defined as such in Chapter VIII Number the following Subparts of this Part 2.2.2.1 Paragraph 7 and 2.3.2.1 Paragraph 7 with respect to a specific Product Type of CCP Transaction or, if not so defined, the entity or entities specified as such in the OTC Trade Event Report.
- (2) Any Successor^{CDD} to a Reference Entity in respect of which ISDA publicly announces on or following the Original Trade Date that the relevant Credit Derivatives Determinations Committee^{CDD} has Resolved^{CDD}, in respect of a Succession Event Resolution Request Date^{CDD}, a Successor^{CDD} in accordance with the Rules^{CDD} shall, in each case, be the Reference Entity for the relevant CCP Transaction. Where more than one Successor^{CDD} has been identified, the following shall apply:
- a) in case of Single Name CDS, the relevant CCP Transaction will be divided into the same number of CCP Transactions as there are Successors^{CDD} as determined pursuant to Section 2.2 of the Credit Derivatives Definitions and paragraph (3) below,
- b) in case of Index CDS the CCP Transaction will be adjusted in accordance with the provisions set out in Chapter VIII Sub-Part 2.2.
- (3) Only the Credit Derivatives Determinations Committee^{CDD} may determine a Successor^{CDD} and the Relevant Obligation^{CDD} and the Calculation Agent shall not be responsible for determining whether the relevant thresholds set forth in Section 2.2.(a) of the Credit Derivatives Definitions have been met, or which entity qualifies as Successor^{CDD} under Section 2.2(a)(vi) of the Credit Derivatives Definitions or which Sovereign and/or entity qualifies as Successor^{CDD} under

Section 2.2(h) of the Credit Derivatives Definitions, as applicable unless the responsible Credit Derivatives Determination Committee^{CDD} decides not to deliberate a potential occurrence of a Succession Event^{CDD}, in which case, upon request of a Clearing Member that is a Buyer or a Seller under a CCP Transaction affected by the potential Succession Event^{CDD}, a Eurex Determinations Committee may determine the occurrence of a Succession Event^{CDD} and a Successor^{CDD} in accordance with Section 2.2 of the Credit Derivatives Definitions.

- (4) "Succession Event Backstop Date^{CDD}" shall have the meaning given to it in Section 2.2(i) of the Credit Derivatives Definitions provided that (i) the Succession Event Backstop Date^{CDD} determined pursuant to Section 2.2(i)(A) shall be determined by reference to Greenwich Mean Time, and provided that (ii) Section 2.2(i)(B)(I) shall not apply, and further provided that (iii) Section 2.2(i)(B)(II) shall apply mutatis mutandis whereas any references to a Succession Event Notice shall be replaced by a reference to "Eurex Succession Resolution Request", and provided that (iv) for purposes of any determination as to whether a Succession Event^{CDD} has occurred in respect of a Reference Entity or an Obligation^{CDD} thereof at any time up to but excluding 20 June 2009 or if a Succession Event Resolution Request Date^{CDD} occurs before 20 June 2009, the Succession Event Backstop Date^{CDD} with respect to such Reference Entity shall be deemed to be the Effective Date. The Succession Event Backstop Date^{CDD} shall not be subject to adjustment in accordance with any Business Day Convention^{CDD} unless specified otherwise in Part 2 of Chapter VIII.
- (5) "Eurex Succession Event Resolution Request Date" means the first day, on which Eurex Clearing AG receives a Eurex Succession Resolution Request. To the extent that the Clearing Conditions or the Credit Derivatives Definitions contain references to the Succession Event Resolution Request Date^{CDD} the relevant provision shall apply mutatis mutandis to a Eurex Succession Event Resolution Request Date and a Eurex Determinations Committee unless the context requires otherwise.- "Eurex Succession Resolution Request" means a request which, if a responsible Credit Derivatives Determinations Committee^{CDD} decides not to deliberate whether a Succession Event^{CDD} has occurred, is made by a Clearing Member acting as Buyer or Seller to a CCP Transaction affected by the potential Succession Event^{CDD} (but not by a Registered Customer) by sending a letter, fax or e-mail to Eurex Clearing AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany (fax no. +49 (0) – 69 – 211-1844014334; e-mail: eurexcreditclearmsbackoffice@eurexclearing.com) which includes a reasonably detailed description of all the issues that the respective Clearing Member believes the relevant Eurex Determinations Committee should deliberate.

- (6) Eurex Clearing AG in its capacity as Calculation Agent will make the

determinations to be made by the Calculation Agent pursuant to Section 2.2(e)(iii) of the Credit Derivatives Definitions (required modification of the terms and conditions if an original CCP Transaction will be replicated in each CCP Transaction that is a New OTC Credit Derivatives Transaction) after consultation with the Clearing Members.

- (7) A Substitute Reference Obligation^{CDD} will be determined by the Calculation Agent (in connection with a Succession Event^{CDD} or otherwise pursuant to Section 2.30 of the Credit Derivatives Definitions) on the basis of a resolution made by the Credit Derivatives Determinations Committee^{CDD} or, to the extent the relevant Credit Derivatives Determinations Committee^{CDD} has not made such a determination and upon request by a Clearing Member, in its discretion after consultation with the Clearing Members holding a CD Clearing License.

2.1.14 Initial Payment

If an initial payment payer ("Initial Payment Payer") and an initial payment amount ("Initial Payment Amount") are specified with respect to an OTC Credit Derivatives Transaction submitted for clearing which provides for an obligation to make an up-front payment (an "Initial Payment"), the obligation to make such Initial Payment shall remain the direct obligation of the Initial Payment Payer of the original OTC Credit Derivatives Transaction to the other party of the OTC Credit Derivatives Transaction in accordance with the terms of the Original OTC Credit Derivatives Transaction and Eurex Clearing AG shall have no obligation to make or guarantee such Initial Payment. Regardless of the terms of the original OTC Credit Derivatives Transaction, the CCP Transaction shall have an Initial Payment Amount of zero.

2.1.15 Fixed Payments

- (1) The Fixed Rate Payer will make Fixed Payments to the Fixed Rate Receiver in accordance with Paragraphs 2 to 5 below and Chapter VIII Number 2.2.2.1 and 2.3.2.1 of the Clearing Conditions.

—~~On each Fixed Rate Payer Payment Date under a CCP Transaction, the Fixed Rate Payer shall pay to the Fixed Rate Receiver the Fixed Amount.~~

~~"Fixed Rate Payer Payment Date" means the date or dates specified as such in the Subparts of this Part 2 of Chapter VIII of these Clearing Conditions with respect to~~

the relevant Product Type of CCP Transactions, or if no Fixed Rate Payment Dates are specified in such Subparts, the date or dates which can be derived from the information on the payment schedule and the payment frequency provided in the OTC Trade Event Report.

"Fixed Rate Payer" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Receiver Eurex Clearing AG shall be the Fixed Rate Payer.

"Fixed Rate Receiver" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Payer Eurex Clearing AG shall be the Fixed Rate Receiver.

- (2) "Fixed Rate Payer Payment Date" means the date or dates specified as such in the Subparts of this Part 2 of Chapter VIII of these Clearing Conditions with respect to the relevant Product Type of CCP Transactions, or if no Fixed Rate Payment Dates are specified in such Subparts, the date or dates which can be derived from the information on the payment schedule and the payment frequency provided in the OTC Trade Event Report.
- (3) The "Fixed Amount" payable pursuant to Paragraph (1) means the amount shown as such for a Fixed Rate Payer Date or for the related Fixed Payer Calculation Period in the OTC Trade Event Report or, if an amount is not so shown, an amount calculated on a formula basis for a Fixed Rate Payer Date or for a related Fixed Rate Payer Calculation Period as follows:

$$\text{Fixed Amount} = \text{Fixed Rate Payer Calculation Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

"Fixed Rate" means the rate shown as such in the relevant OTC Trade Event Report.

"Fixed Rate Day Count Fraction" means the fixed rate day count fraction specified as such in the following Subparts of this Part 2 of Chapter VIII of the Clearing Conditions with respect to the relevant Product Type of CCP Transactions.

"Fixed Rate Payer Calculation Amount" means the amounts shown as such in the OTC Trade Event Report or, if an amount is not so shown, the Floating Rate Payer Calculation Amount (Chapter VIII, Section 2.1.16.1).

"Fixed Rate Payer Calculation Period" means each period from, and including, one Fixed Rate Payer Period End Date to, but excluding, the next following Fixed Rate Payer Period End Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the Effective Date, and (b) the final Fixed Rate

Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of the Clearing Conditions).

"Fixed Rate Payer Period End Date" means each date defined as such in the following Subparts of this Part 2 or, if not so defined, each date shown with respect to the relevant CCP Transaction in the OTC Trade Event Report or, if no such dates are defined or shown, each Fixed Rate Payer Payment Date.

- (4) For the payment of a Fixed Amount which is due on the next Fixed Rate Payer Payment Date after the date when novation of the relevant OTC Credit Derivatives Transactions has taken place (Chapter VIII Number 1.2.3), the respective Clearing Member shall be a contracting party vis-à-vis Eurex Clearing AG and shall pay in its capacity as Fixed Rate Payer to Eurex Clearing AG as Fixed Rate Receiver an amount equal to the Fixed Amount which would have been due on such Fixed Rate Payer Payment Date (calculated for the entire Fixed Rate Payer Calculation Period) under the Original OTC Transaction. Eurex Clearing AG in its capacity as Fixed Rate Payer shall pay out this Fixed Amount to a Clearing Member under another CCP Transaction under which such Fixed Amount is due and payable.

If the payment of the Fixed Amount is due on or before the business day when novation of an OTC Credit Derivative Transaction takes place (Chapter VIII Number 1.2.3 of the Clearing Conditions), this payment shall be an obligation that is only governed by the contractual arrangements of the Original OTC Transaction and not subject to the provisions of these Clearing Conditions.

- (5) If an Auction Final Price^{CDD} has been determined and provided that an Auction Cancellation Event^{CDD} does not occur, with effect from the Auctional Final Price Determination Date^{CDD}, paragraph (a) and (b), as applicable, of Schedule 2 to the Credit Derivatives Auction Settlement Terms^{CDD} shall apply to the accrual of Fixed Rates and the payment of Fixed Amounts.

2.1.16 Credit Events (Floating Rate Payments)

- (1) Upon the occurrence of a Credit Event^{CDD} applicable to a CCP Transaction and upon satisfaction of all of the Conditions of Settlement with respect to such CCP Transaction, the parties to the relevant CCP Transaction shall perform their respective obligations in accordance with the Auction Settlement Method (Chapter VIII Number 2.1.16.1 of the Clearing Conditions) unless settlement occurs in accordance with the Fallback Settlement Method (Chapter VIII Number 2.1.16.2 of the Clearing

Conditions), as applicable.

~~"Credit Event^{CDD}" means, with respect to a CCP Transaction, a Credit Event^{CDD} specified as such in the following Subparts of this Part 2 of Chapter VIII of the Clearing Conditions with respect to a Product Type of CCP Transactions, or, if not so specified, as shown in the OTC Trade Event Report with respect to the relevant CCP Transaction.~~

"Floating Rate Payer" is, with respect to a CCP Transaction, the Clearing Member shown as such in the relevant OTC Trade Event Report. If the relevant Clearing Member is the Fixed Rate Payer, Eurex Clearing AG shall be the Floating Rate Payer.

The Floating Rate Payer shall be the "Seller" and the Fixed Rate Payer shall be the "Buyer".

(1) All of the "Conditions to Settlement" shall be deemed to be satisfied by the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date^{CDD}, the Physical Settlement Date (or if earlier a Delivery Date^{CDD}), or the Termination Date^{CDD}, as applicable, unless the Fallback Settlement Method applies, in which case all of the Conditions of Settlement shall be deemed to be satisfied by the delivery of a Notice of Physical Settlement by the relevant Clearing Member acting as Buyer pursuant to Chapter VIII Number 2.1.16.3 Paragraph 1.

(2) The "Event Determination Date" shall be the Credit Event Resolution Request Date^{CDD} or the Eurex Credit Event Resolution Request Date, as applicable, and it shall occur ~~if, with respect to a CCP Transaction, Eurex Clearing AG determines that:~~

a) with respect to a Credit Event^{CDD} other than Restructuring^{CDD},

- the Credit Event Resolution Request Date^{CDD} or Eurex Credit Event Resolution Request Date with respect to such Credit Event^{CDD} occurred on or prior to the end of the Resolution Request Period End Date (~~Paragraph 7~~ paragraph 6 below), which occurrence may be prior to the Original Trade Date; and
- a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement, as applicable, has occurred with respect to a Reference Entity (or an Obligation^{CDD} thereof) that applies to the relevant CCP Transaction; or

b) with respect to a Restructuring^{CDD} Credit Event^{CDD},

- the Credit Event Resolution Request Date^{CDD} or a Eurex Credit Event Resolution Request Date, as applicable, with respect to such Credit Event^{CDD}

occurred on or prior to the end of the Resolution Request Period End Date (Paragraph 7 paragraph 6 below), which occurrence may be prior to the Original Trade Date; and

- a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement, as applicable, has occurred with respect to a Reference Entity (or an Obligation^{CDD} thereof) that applies to the relevant CCP Transaction; and
- after having been notified by Eurex Clearing AG of such DC Credit Event Announcement^{CDD} or of the Eurex Credit Event Announcement, as applicable, (which notification will be made on the business day following the relevant DC Credit Event Announcement^{CDD} or Eurex Credit Event Announcement, as applicable), one or more Clearing Members acting as Buyer or as Seller have marked in the report received from, and sent back to, Eurex Clearing AG (the "CD Exercise Notice") the CCP Transactions affected by the relevant Restructuring^{CDD} Credit Event^{CDD} in relation to which they request settlement and which must be received by Eurex Clearing AG and be effective on or prior to the Exercise Cut-off Date^{CDD} (the period from the day of notification by Eurex Clearing AG until, and including, the Exercise Cut-off Date^{CDD}, as determined pursuant to Section 1.26(a)(ii)(A)(II) of the Credit Derivatives Definitions, is referred to in these Clearing Conditions as the "CD Exercise Period").

Sections 1.8 (c) and (d) of the Credit Derivatives Definitions shall apply.

- (3) Following a DC Credit Event Announcement^{CDD} or a Eurex Credit Event Announcement, as applicable, relating to a Restructuring^{CDD} Credit Event^{CDD}, Eurex Clearing AG will make a report available to the Clearing Members in its system without undue delay. Each Clearing Member acting as Buyer or as Seller may mark in the report received from, and sent back to, Eurex Clearing AG (the "CD Exercise Notice") the CCP Transactions affected by the relevant Restructuring^{CDD} Credit Event^{CDD} in relation to which they request settlement and which must be received by Eurex Clearing AG and be effective on or prior to the Exercise Cut-off Date^{CDD} (the period from the day of the report made available by Eurex Clearing AG until, and including, the Exercise Cut-off Date^{CDD} applicable to the Seller is referred to in these Clearing Conditions as the "CD Seller Exercise Period").
- (4) A CD Exercise Notice is effective on a business day if it has been received by Eurex Clearing AG until 3 p.m. CET on such business day. A CD Exercise Notice is effective on a business day if it has been received by Eurex Clearing AG until 3 p.m. CET on such business day. To the extent that, in case of CD Exercise Notices issued by Clearing Members following a Restructuring^{CDD} Credit Event Resolution^{CDD}, the Floating Rate Payer Calculation Amounts of CCP Transactions for which Clearing

~~Members acting as Buyers and/or Sellers have issued a CD Exercise Notice exceed, Eurex Clearing AG will assign on any such business day the CD Exercise Notices relating to the exceeding Floating Rate Payer Calculation Amounts to Clearing Members acting as Buyer or Sellers, as applicable, whose CCP Transactions that are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro-rata basis (calculated in accordance with the amount of open positions held by the relevant Clearing Member as Buyer in relation to the relevant CCP Transactions which have not been assigned yet). Eurex Clearing AG will notify the Clearing Members acting as Buyers or Sellers, as the case may be, by making available in its system a report until 5 p.m. CET.~~

- (5) Section 3.9 of the Credit Derivatives Definitions shall apply provided that (i) any reference to a "Notifying Party" shall be a reference to the relevant Clearing Member that delivers the CD Exercise Notice, and (ii) any reference to a "consultation with the parties" shall be replaced by "consultation with the Clearing Members holding a CD License". For the avoidance of doubt, any reference to a Floating Rate Payer Calculation Amount in Paragraph 14 below, shall include any Exercise Amount^{CDD}.
- (6) "Resolution Request Period End Date" means the date that is 14 calendar days after the Scheduled Termination Date.
- (7) "Eurex Credit Event Resolution Request Date" means the first date on which a Eurex Credit Event Resolution Request is received by Eurex Clearing AG. ~~The reference to the extent that the Clearing Conditions or the Credit Derivatives Definitions contain references to the Credit Event Resolution Request Date^{CDD} in Section 2.19 of the Credit Derivatives Definitions the relevant provision shall apply mutatis mutandis also~~ to a Eurex Credit Event Resolution Request Date. "Eurex Credit Event Resolution Request" means a request which, in the circumstances set out in Paragraph 12 below ~~if neither a DC Credit Event Announcement nor a DC No Credit Announcement has occurred~~, is made by a Clearing Member acting as Buyer or Seller to a CCP Transaction affected by the potential Credit Event^{CDD} (but not by a Registered Customer) by sending a letter, fax or e-mail to Eurex Clearing AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany (fax no. +49 (0) – 69 – 211-1844014334; e-mail: eurexcreditclearmsbackoffice@eurexclearing.com) which includes a reasonably detailed description of all the issues that the respective Clearing Member believes the relevant Eurex Determinations Committee should deliberate and information consistent with the definition of Publicly Available Information^{CDD}.
- (8) Section 1.30 of the Credit Derivatives Definitions shall apply mutatis mutandis whereas "DC Credit Event Announcement" shall be replaced by the term "Eurex Credit Event Announcement".
- (9) "Credit Event Backstop Date^{CDD}" shall have the meaning given to it in Section 1.23 of

the Credit Derivatives Definitions provided that (i) Section 1.23(b)(i) shall not apply, (ii) Section 1.23 (b)(ii) shall apply mutatis mutandis where any references to a Credit Event Notice and to a Notice of Publicly Information shall be replaced with by a reference to "Eurex Credit Event Resolution Request", and (iii) for purposes of any determination as to whether a Credit Event^{CDD} has occurred in respect of a Reference Entity or an Obligation^{CDD} thereof at any time up to but excluding 20 June 2009 or if a Credit Event Resolution Request Date^{CDD} occurs before 20 June 2009, the Credit Event Backstop Date^{CDD} with respect to such determination shall be deemed to be the Effective Date. The Credit Event Backstop Date^{CDD} shall not be subject to adjustment in accordance with any Business Day Convention.

(10) In connection with the definitions and provisions of the Credit Derivatives Definitions relating to a Restructuring^{CDD} Credit Event^{CDD}, as incorporated in the Clearing Conditions pursuant to Chapter VIII Number 2.1.3 Paragraph 2, the term "Credit Event Notice" shall be deemed to be a reference to a "CD Exercise Notice" unless otherwise set out in these Clearing Conditions or required by the relevant context and, with respect to the delivery of Credit Event Notices, the terms "Buyer" and "Seller" shall mean a Clearing Member acting as Buyer and a Clearing Member acting as Seller, respectively.

(11) ~~If theno Credit Event^{CDD} has been Resolved^{CDD} by a Credit Derivatives Determinations Committee^{CDD} has not Resolved^{CDD} that a Credit Event^{CDD} has occurred,~~ Eurex Clearing AG will not determine a Credit Event^{CDD} either nor shall any Clearing Member or Registered Customer be entitled to determine the occurrence of a Credit Event^{CDD} or to issue a credit event notice (other than the CD Exercise Notice) unless the responsible Credit Derivatives Determination Committee^{CDD} has decided not to deliberate a potential occurrence of a Credit Event^{CDD}, in which case, if a Eurex Credit Event Resolution Request has been made, a Eurex Determinations Committee may determine the occurrence of a Credit Event^{CDD} (a "Eurex Committee Resolution). For the avoidance of doubt, any Credit Event Notice^{CDD} that a party to the original OTC Credit Derivatives Transaction may have delivered to the other party prior to the novation date, shall be deemed to be not delivered.

(12) Section 2.21 of the Credit Derivative Definitions (Interpretation of Provisions) shall apply to the extent that the relevant Obligation Category^{CDD} or Obligation Characteristics^{CDD} respectively, or the relevant Deliverable Obligation Category^{CDD} or Deliverable Obligation Characteristics^{CDD} are specified in the following Subparts of this Part 2 or in the relevant OTC Trade Event Report and/or, with respect to Section 2.21(d) of the Credit Derivative Definitions, if an Obligation^{CDD} or a Deliverable Obligation^{CDD} is a Qualifying Guarantee^{CDD}.

(13) In case of a Restructuring^{CDD} Credit Event^{CDD}, Eurex Clearing AG will assign and

match the relevant CD Exercise Notices on each business day as follows:

- a) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are exclusively delivered by the Floating Rate Payer Calculation Amounts of CCP Transactions for which Clearing Members acting as Buyers, Eurex Clearing AG will assign such CD Exercise Notices to Clearing Members acting as Sellers whose CCP Transactions are affected by have issued a CD Exercise Notice as far as this amount is equal to the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions between the Clearing Members acting as Buyer and Eurex Clearing AG and between Eurex Clearing AG and amount of the CD Exercise Notices issued by Sellers and Eurex Clearing AG will assign pursuant to paragraph 4 the CD Exercise Notices relating to the exceeding Floating Rate Payer Calculation Amounts to Clearing Members acting as Seller qualify as "Buyer-triggered Trades". or Sellers, as applicable. Clearing Members acting as Buyers to whom CD Exercise Notices delivered by Clearing Members acting as Sellers were assigned and who were notified of such assignment pursuant the last sentence of paragraph 4 may deliver a CD Exercise Notice until the end of the CD Exercise Period. In this case, Eurex Clearing AG will re-assign the amounts of these CD Exercise Notices to the Clearing Members acting as Sellers who originally delivered the relevant CD Exercise Notices on a pro rata basis (calculated in accordance with the amount of open positions originally held by the relevant Clearing Member acting as Seller that were not matched) in relation to the relevant CCP Transactions Transactions that are affected by the Restructuring^{CDD} Credit Event^{CDD}.
- b) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are exclusively delivered by Clearing Members acting as Sellers, Eurex Clearing AG will assign such CD Exercise Notices to Clearing Members acting as Buyers whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions between the Clearing Members acting as Buyer and Eurex Clearing AG and between Eurex Clearing AG and the Clearing Members acting as Seller qualify as "Seller-triggered Trades".
- c) If on a relevant business day in the CD Seller Exercise Period CD Exercise Notices are delivered by both Clearing Members acting as Sellers and Clearing Members acting as Buyers, Eurex Clearing AG will match the CD Exercise Notices issued by Clearing Members acting as Buyers with the CD Exercise Notices issued by Seller as far as the Floating Rate Payer Calculation Amounts of the relevant CCP Transactions are equal on a pro rata basis and to the extent so matched the relevant CCP Transactions shall be deemed to be Seller-triggered Trades.
- d) If in the case of item c) the aggregate Floating Rate Payer Calculation Amount of

CD Exercise Notices issued by Clearing Members acting as Buyer exceeds the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices issued by Clearing Members acting as Seller, or vice versa, any such exceeding Floating Rate Payer Calculation Amounts ("Exceeding Buyer Notional" or "Exceeding Seller Notional", as the case may be) will be assigned by Eurex Clearing AG to the Clearing Members acting as Buyers or Sellers, as the case may be, whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions shall be deemed to be Buyer-triggered Trades (in case of an Exceeding Buyer Notional) or Seller-triggered Trades (in case of an Exceeding Seller Notional).

- e) On a relevant business day in the period from (and excluding) the Exercise Cut-off Date^{CDD} applicable to the Seller to (and including) the Exercise Cut-off Date^{CDD} applicable to the Buyer, any CD Exercise Notice issued by Clearing Members acting as Buyer will be assigned by Eurex Clearing AG to the Clearing Members acting as Sellers whose CCP Transactions are affected by the Restructuring^{CDD} Credit Event^{CDD}, on a pro rata basis. The relevant CCP Transactions are Buyer-triggered Trades.
- f) For the purposes items a) to d), "on a pro rata basis" means (a) in case of a matching, that the pro rata calculation is made in accordance with the relevant Floating Rate Payer Calculation Amounts for which CD Exercise Notices were issued by the respective Seller and Buyers (b) in case of an assignment, that the relevant pro rata calculation is made in accordance with the amount of open positions held by the relevant Clearing Member as Seller or Buyer, as applicable, and which, in case of item c), have not been matched.
- g) In the case of items a) or d) any Clearing Member acting as Seller to whom CD Exercise Notices issued by Clearing Members acting as Buyers were assigned may deliver a CD Exercise Notice to Eurex Clearing AG within the CD Seller Exercise Period in which case Eurex Clearing AG will update the original assignment by re-qualifying the original Buyer-triggered Trades as Seller-triggered Trades on a pro rata basis (calculated in accordance with the Floating Rate Payer Calculation Amounts of the CD Exercise Notices delivered by the Clearing Members acting as Sellers, in each case in proportion to the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices originally issued by Clearing Members acting as Buyers minus, in case of item d), aggregate Floating Rate Payer Calculation Amount of the CD Exercise Notice that have been matched pursuant to item c)).
- (h) In the case of items b) or d) any Clearing Member acting as Buyer to whom CD Exercise Notices issued by Clearing Members acting as Sellers were assigned

may deliver a CD Exercise Notice to Eurex Clearing AG in the period from (and excluding) the Exercise Cut-off Date^{CDD} applicable to the Seller to (and including) the Exercise Cut-off Date^{CDD} applicable to the Buyer. In this case, Eurex Clearing AG will update the original assignment by re-qualifying the original Seller-triggered Trades as Buyer-triggered Trades on a pro rata basis (calculated in accordance with the Floating Rate Payer Calculation Amounts of the CD Exercise Notices delivered by the Clearing Members acting as Buyers, in each case in proportion to the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices originally issued by Clearing Members acting as Sellers minus, in case of item d), the aggregate Floating Rate Payer Calculation Amount of CD Exercise Notices that have been matched pursuant to item c)).

- i) Eurex Clearing AG will notify the Clearing Members acting as Buyers or Sellers, as the case may be, by making a report available in its system on the same day until 5 p.m. CET. Eurex Clearing AG will not deliver any CD Exercise Notice to a Clearing Member acting as Buyer or Seller in addition to such report.

2.1.16.1 Standard Credit Event Settlement Terms (Auction Settlement Method)

- (1) If Eurex Clearing AG determines that the Conditions to Settlement are satisfied and an Event Determination Date occurs, the Seller under a CCP Transaction, which may be either the relevant Clearing Member or Eurex Clearing AG, as applicable, shall pay to the Buyer under a corresponding CCP Transaction, which may be a Clearing Member (if Eurex Clearing AG is the Seller) or Eurex Clearing AG (if the relevant Clearing Member is the Seller), as applicable, the Auction Settlement Amount on the Auction Settlement Date ("Auction Settlement Method"), unless settlement occurs pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions.
- (2) Subject to any calculation methods set forth in the following Subparts of this Part 2 with respect to a relevant Product Type of CCP Transactions, the "Auction Settlement Amount" will be calculated in accordance with the following formula:

Floating Rate Payer Calculation Amount x (Reference Price - Auction Final Price)

provided that the Auction Settlement Amount shall not be less than zero.

whereas:

"Auction Final Price^{CDD}" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms^{CDD} subject to paragraphs (2) and (3) below.

"Floating Rate Payer Calculation Amount" means the amount defined as such in any Subparts of this Part 2 of Chapter VIII of the Clearing Conditions with respect to a Product Type of CCP Transactions or, if not so defined, the amount shown as such in the relevant OTC Trade Event Report.

"Reference Price" means the percentage shown as such in the OTC Trade Event Report, or, if a percentage is not so specified, 100 per cent.

- (3) In case of a Restructuring^{CDD} Credit Event^{CDD} where "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies pursuant to Part 2 of this Chapter VIII, there will be a separate Auction Final Price^{CDD}, to the extent an Auction^{CDD} is conducted, for each Maturity Bucket. A CCP Transaction qualifies for a relevant Maturity Bucket based on whether the Buyer (the "Buyer Maturity Bucket") or the Seller (the "Seller Maturity Bucket", the Buyer Maturity Bucket and the Seller Maturity Bucket together a "Maturity Bucket") has issued the relevant (prevailing) CD Exercise Notice, as described in the relevant Credit Derivatives Auction Settlement Terms^{CDD} and subject to an exercise of the Movement Option^{CDD}. For the purposes of the Credit Derivatives Definitions, Buyer-triggered Trades shall be deemed to be CCP Transactions for which the Buyer has delivered a Credit Event Notice and Seller-triggered Trades shall be deemed to be CCP Transactions for which the Seller has delivered a Credit Event Notice. The applicable Buyer Maturity Bucket is determined on the basis of the Scheduled Termination Date of the relevant CCP Transaction, as described in the relevant Credit Derivatives Auction Settlement Terms^{CDD}.
- (4) If, in case of a Restructuring^{CDD} Credit Event^{CDD} where "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies, Section 12.17 (Movement Option) shall apply provided that (i) in Paragraph (a) of Section 12.17 the words "which Notifying Party delivered the Credit Event Notice" shall be replaced with the words "whether the CCP Transaction is a Buyer-triggered Trade or a Seller-triggered Trade", and (ii) in Paragraph (b) of Section 12.17, the words "Buyer delivered the Credit Event Notice" shall be replaced with the words "the CCP Transaction is a Buyer-triggered Trade".
- (5) If a Clearing Member acting as Buyer or Seller exercises the Movement Option, Eurex Clearing AG will update the original qualification as Buyer-triggered Trades and Seller-triggered Trades, respectively, by re-qualifying such CCP Transactions in accordance with Paragraph 4 which shall be binding on all relevant Clearing Members acting as Buyers or Sellers, respectively, whose CCP Transactions are affected by the delivery of CD Exercise Notices upon the occurrence of the relevant Restructuring^{CDD} Credit Event^{CDD} and the assignment and matching pursuant to Chapter VIII Number 2.1.16 Paragraph 14 of the Clearing Conditions.

(3)—In the case of paragraph 2, the following procedures shall apply:

- If with respect to the relevant CCP Transactions, Auction Final Prices^{CPD} for both the relevant Buyer Maturity Bucket and the Seller Maturity Bucket are available, the Auction Final Price^{CPD} for the Matched Exercise Notional shall be the Auction Final Price^{CPD} for the Buyer Maturity Bucket and the Auction Final Price^{CPD} for the Exceeding Buyer Notional and the Assigned Seller Notional shall be the Auction Final Price^{CPD} for the Seller Maturity Bucket.

- If an Auction Final Price^{CPD} is available for the Seller Maturity Bucket only, then the Auction Final Price^{CPD} for any Exceeding Seller Notional and Assigned Buyer Notional, if any, shall be the Auction Final Price^{CPD} for the Seller Maturity Bucket while any Exceeding Buyer Notional and the relevant Assigned Seller Notional, if any, will be settled among the Clearing Member acting as Buyer, Eurex Clearing AG and the respective Clearing Member acting as Seller (as assigned under Chapter VIII Number 2.1.16 paragraph (4) of the Clearing Conditions) in accordance with the Fallback Settlement Method pursuant to Chapter VIII Numbers 2.1.16.2., 2.1.16.4 and 2.1.16.5 of the Clearing Conditions) unless the Clearing Member acting as Buyer or as Seller, as the case may be, exercises the Movement Option.

- If an Auction Final Price^{CPD} is available for the Buyer Maturity Bucket only, then the Auction Final Price^{CPD} for the Matched Exercise Notional and for any Exceeding Buyer Notional and the relevant Assigned Seller Notional, if any, shall be the Auction Final Price^{CPD} for the Buyer Maturity Bucket while any Exceeding Seller Notional and Assigned Buyer Notional, if any, will be settled among the Clearing Member acting as Buyer, Eurex Clearing AG and the respective Clearing Member acting as Seller (as assigned under Chapter VIII Number 2.1.16 paragraph (4) of the Clearing Conditions) in accordance with the Fallback Settlement Method pursuant to Chapter VIII Numbers 2.1.16.2., 2.1.16.4 and 2.1.16.5 of the Clearing Conditions) unless the Clearing Member acting as Buyer exercises the Movement Option.

"Matched Exercise Notional" means the Floating Rate Payer Calculation Amounts of CCP Transactions for which Clearing Members acting as Buyers have issued a CD Exercise Notice and that, on a business day, is equal to the amount of CD Exercise Notices issued by Clearing Members acting as Sellers.

"Exceeding Buyer Notional" means the Floating Rate Payer Calculation Amounts of CCP Transactions for which Clearing Members acting as Buyers have issued a CD Exercise Notice and that, on a business day, exceed the equivalent amount of CD Exercise Notices issued by Clearing Member acting as Sellers.

"Exceeding Seller Notional" means the Floating Rate Payer Calculation Amounts of CCP Transactions for which Clearing Members acting as Sellers have issued a CD Exercise Notice and that, on a business day, exceed the equivalent amount of CD Exercise Notices issued by Clearing Member acting as Buyers.

"Assigned Buyer Notional" shall be equal to the Exceeding Seller Notional that has been assigned by Eurex Clearing AG to Sellers in accordance with Chapter VIII Number 2.1.16 paragraph (4) of the Clearing Conditions.

"Assigned Seller Notional" shall be equal to the Exceeding Buyer Notional that has been assigned by Eurex Clearing AG to Buyers in accordance with Chapter VIII Number 2.1.16 paragraph (4) of the Clearing Conditions.

(12) The "Auction Settlement Date"^{CDD} means the date that is the number of CD Business Days specified in the Transaction Auction Settlement Terms^{CDD} (or, if a number of CD Business Days is not so specified, five CD Business Days) immediately following the Auction Final Price Determination Date^{CDD}. The Auction Settlement Date shall be the Termination Date.

(13) If, in case of a Restructuring^{CDD} Credit Event^{CDD} where "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies Section 12.15 (Movement Option) shall apply provided that (i) the second and third sentence of Section 12.15 shall be replaced by the procedures set out in paragraphs 3, 6 and 7, and (ii) the Movement Option is to be exercised pursuant to paragraph 7 below on or prior to the Movement Option Cut-off Date^{CDD}.

(14) A Clearing Member acting as Seller may exercise the Movement Option^{CDD} only if there is a Matched Exercise Notional or an Exceeding Buyer Notional.

(6) A Clearing Member may exercise the Movement Option by marking in the report made available by Eurex Clearing AG the relevant CCP Transactions affected by the Restructuring^{CDD} Credit Event^{CDD} for which it exercises the Movement Option^{CDD}, and by transmitting such report via e-mail to Eurex Clearing AG to the e-mail address eurexcreditclearmsbackoffice@eurexclearing.com (the "Notice to Exercise Movement Option").

(7) Eurex Clearing AG will notify the Clearing Members acting as Buyers or Sellers, as the case may be, of the updated qualification of CCP Transactions as Buyer-triggered Trades and Seller-triggered Trades (Paragraph 5) by making a report available in its system on each business day until 5 p.m. CET in the period from (and excluding) the Exercise Cut-off Date^{CDD} applicable to Buyer to (and including) the Movement Option Cut-off Date^{CDD}. Eurex Clearing AG will not deliver any Notice to Exercise Movement Option to a Clearing Member acting as Buyer or Seller in addition to such report.

(8) The parties to CCP Transactions affected by a Credit Event^{CDD} cannot request physical settlement or cash settlement in accordance with the Cash Settlement^{CDD}

method, with the exception that physical settlement may occur if the Fallback Settlement Method applies pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions.

- (9) If an Auction^{CDD} takes place, each Clearing Member shall ensure that physical settlement requests of its customers (together with the Clearing Member's own physical settlement requests, as the case may be) will be submitted to a Participating Bidder^{CDD} as "Customer Physical Settlement Request" and shall make any necessary arrangements with one or more appropriate Participating Bidders^{CDD} that such Customer Physical Settlement Requests are accepted by the relevant Participating Bidder^{CDD} in accordance with, and subject to, the applicable Credit Derivatives Auction Settlement Terms^{CDD}.

2.1.16.2 Fallback Settlement Method (no applicable Auction Final Price determined)

~~If without prejudice to Section 2.1.16.1, but without duplication of settlement, if Eurex Clearing AG determines that the Conditions to Settlement are satisfied and that (a) an Auction Cancellation Date^{CDD} has occurred, or (b) a No Auction Announcement Date^{CDD} has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to Section 12.12(b)(i) of the Credit Derivatives Definitions, neither a Clearing Member acting as Buyer nor a Clearing Member acting as Seller has exercised the Movement Option), or (c) if ISDA publicly announces that the Eurex relevant Credit Derivatives Determinations Committee has determined that Resolved, following a Credit Event^{CDD} has occurred, then physical settlement shall take place on Event Resolution Request Date, not to determine the matters described in Section 1.24(a bilateral basis) and (b) (Credit Event Resolution Request Date) of the Credit Derivatives Definitions, then the parties shall perform their respective payment and delivery obligations in accordance with the physical settlement method described in this Number 2.1.16.2 and Chapter VIII Numbers 2.1.16.3 and Chapter VIII Number 2.1.16.47 ("Fallback Settlement Method").~~

~~— If, in case of a Restructuring^{CDD} Credit Event^{CDD}, "Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD}" applies pursuant to Chapter VIII Part 2 of these Clearing Conditions, Section 2.33 of the Credit Derivatives Definitions shall apply. The Limitation Dates^{CDD} shall not be subject to adjustment in accordance with any Business Day Convention unless specified otherwise for a Product Type under Part 2 of this Chapter VIII.~~

- If in preparation of an Auction^{CCP} ISDA has published on its Website^{CCP} a Final List^{CCP} of Deliverable Obligations^{CCP} that is applicable to the relevant CCP Transactions, such list shall be the list of Deliverable Obligations for purposes of the Fallback Settlement Method.
 - Upon occurrence of any of the events (a) to (c) set out in paragraph (1) above, as applicable, and if no Final List^{CCP} of Deliverable Obligation(s)^{CCP} has been published by ISDA on its Website^{CCP}, Eurex Clearing AG will establish a committee ("Eurex Deliverable Obligations Committee") in which all Clearing Members with a CD Clearing License, holding as Buyer or Seller respective CCP Transactions cleared with Eurex Clearing AG may participate. The Eurex Deliverable Obligations Committee is responsible for determining the Deliverable Obligation(s)^{CCP} for the purposes of the Fallback Settlement Method pursuant to the statutes for an Eurex Deliverable Obligations Committee defined by Eurex Clearing AG and published on its website www.eurexclearing.com.
 - If within a period of 30 calendar days following any of the events (a) to (c) set out in paragraph (1), as applicable, no Deliverable Obligation(s)^{CCP} have been determined by an Eurex Deliverable Obligations Committee, then the relevant Reference Obligation^{CCP} shall be the Deliverable Obligation^{CCP}. If the lack of determination of Deliverable Obligations^{CCP} by a Eurex Deliverable Obligations Committee is due to the fact that neither a Reference Obligation^{CCP} nor any other Deliverable Obligations^{CCP} of the relevant Reference Entity^{CCP} exist, then the CCP Transactions will terminate upon expiry of the period of 30 calendar days (such thirtieth day being a Termination Date^{CCP}) and the Buyer is not entitled to deliver any Deliverable Obligations^{CCP} against payment of a cash amount by the Seller.
 - Following a determination of Deliverable Obligation(s) pursuant to paragraph (3) above, Eurex Clearing AG will notify the Clearing Members acting as Buyers and Sellers of a CCP Transaction affected by the relevant Credit Event Resolution^{CCP} of the list of Deliverable Obligation(s)^{CCP} determined pursuant to paragraph (3) above ("Notice of Deliverable Obligations"). The Notice of Deliverable Obligations will contain a description (including in particular any securities identification number, if any) of the relevant Deliverable Obligation(s)^{CCP} so determined ("Eurex Deliverable Obligations").
- In case of a Restructuring^{CCP} Credit Event^{CCP}, Eurex Clearing AG will deliver the Notice of Deliverable Obligations to the Clearing Members acting as Buyers and Sellers under CCP Transactions if no Auction^{CCP} is scheduled for a Maturity Bucket^{CCP} which covers the respective CCP Transactions and if no Final List^{CCP} was published. In addition, all CCP Transactions related to the affected Reference Entity will be reported to those Clearing Members.

~~Section 8.2 (Deliver) of the Credit Derivatives Definitions shall apply to deliveries pursuant to these Clearing Conditions mutatis mutandis.~~

2.1.16.3 Notification and Allocation Procedure for Physical Settlement

- (1) In case the Fallback Settlement Method is applicable pursuant to Chapter VIII Number 2.1.16.2 of the Clearing Conditions, ~~and Eurex Clearing AG has issued a Notice of Deliverable Obligations,~~ Clearing Members acting as Buyers of CCP Transactions shall notify Eurex Clearing AG of the following ("Notice of Physical Settlement"): (a) one or more Deliverable Obligation(s) ^{CDD} ~~out of the Final List^{CDD} of Deliverable Obligations^{CDD} published by ISDA on its Website^{CDD} (Chapter VIII Number 2.1.16.2 paragraph 2 of the Clearing Conditions) or out of the Eurex Deliverable Obligations (Chapter VIII Number 2.1.16.2 paragraph 3 of the Clearing Conditions),~~ as the case may be, which such Clearing Member will Deliver^{CDD} to Eurex Clearing AG, as well as (b) the outstanding principal balance or, in case of Deliverable Obligations^{CDD} that are not Borrowed Money^{CDD}, the Due and Payable Amount^{CDD} (in each case the "Outstanding Amount") of each such Deliverable Obligation^{CDD}.
- (2) The Notice of Physical Settlement shall be made by the relevant Clearing Member for each CCP Transaction by transmitting the relevant report via e-mail to Eurex Clearing AG to the e-mail address eurexcreditclear@eurexclearing.com until 3 p.m. CET. The report must provide the description and information required pursuant to Section 3.4 of the Credit Derivatives Definitions (including the ISIN if available and if applicable).
- (3) If an effective Notice of Physical Settlement is not delivered by the Clearing Member acting as Buyer on or before the thirtieth calendar date after the Event Determination Date (subject to adjustment in accordance with any specified Business Day Convention), such thirtieth calendar day shall be the Termination Date for any such CCP Transaction and the CCP Transaction between Eurex Clearing AG and the Clearing Members acting as Seller to whom no Notices of Physical Settlement were allocated by Eurex Clearing AG.
- ~~(2) With respect to the CCP Transactions of the same Product Type which are identical in all material aspects If a Notice of Physical Settlement is not given within a period of ten business days after the Notice of Deliverable Obligations ("Notification Period") and if further, in case of a Restructuring^{CDD} Credit Event^{CDD}, neither a relevant Buyer nor a Seller has exercised the Movement Option, Eurex Clearing AG determines the Deliverable Obligation(s)^{CDD} and the respective amounts to be~~

Delivered^{CCP} by the respective Clearing Member acting as Buyer and, in the event of a Restructuring^{CCP} Credit Event^{CCP}, Eurex Clearing AG will notify the Buyer and the respective assigned Clearing Member acting as Seller of the Deliverable Obligation and respective amounts determined.

- (4) In case Credit Events^{CCP} other than the notional amount Restructuring^{CCP}, Eurex Clearing AG shall allocate to one or more the Clearing Members acting as Sellers of such CCP Transactions the Notices of Physical Settlement received from Clearing Members acting as Buyers in a timely manner specific Deliverable Obligation(s)^{CCP} notified for delivery one business day after the end of the Notification Period; using a selection procedure that ensures the neutrality of the allocation process. If a Clearing Member acts as both Buyer and Seller in respect of the relevant settlement process, the assignment of such deliveries will be performed with the highest priority. The Clearing Members acting as Sellers of CCP Transactions will be informed about the Notices of Physical Settlement received pursuant to Paragraph 2 and the respective Clearing Member acting as Buyer before 5 p.m. on the relevant business day. The Clearing Members acting as Buyers will be notified of the identity of the respective Clearing Members acting as Seller. Each Clearing Member acting as Buyer and each Clearing Member acting as Seller allocated to it shall be an "Allocated Pair" specific Deliverable Obligation(s)^{CCP}, which were allocated to them. The Clearing Member acting as Buyers of CCP Transactions will be informed about the date of allocation.
- (4) In case of a Restructuring^{CCP} Credit Event^{CCP}, any Deliverable Obligations^{CCP} Delivered^{CCP} by a Clearing Member acting as Buyer will be allocated by Eurex Clearing AG to a Clearing Member acting as Seller in accordance with the assignments of CD Exercise Notices carried out pursuant to Chapter VIII Number 2.1.16 Paragraph (3) of the Clearing Conditions.
- (5) Paragraphs 1 to 4 above shall apply to the legal relationship between Clearing Members and their Registered Customers mutatis mutandis.

2.1.16.4 Effect Deliverable Obligation Category — Bond

If a Deliverable Obligation Category^{CCP} that includes "Bond" is specified as Deliverable Obligation Category^{CCP} in the following Subparts of the Notification and Allocation Procedure

Upon this Part 2 or in the allocation by Eurex Clearing AG of OTC Trade Event Report with respect to the Notices relevant CCP Transaction and if the relevant Clearing

Member acting as Buyer has specified in its Notice of Physical Settlement pursuant to Chapter VIII Number 2.1.16.3 one or more Bonds^{CDD} as Deliverable Obligation(s)^{CDD}, such Buyer shall Deliver^{CDD} the relevant Bonds^{CDD} to Eurex Clearing Members AG (acting as Sellers, the following shall apply:

- (1)a. The Clearing Member acting as Buyer and the relevant Clearing Member acting in its capacity as Seller who constitute an Allocated Pair) on the Bond Physical Settlement Date which shall be deemed to have entered (with each other in an OTC Credit Derivative Transactions without Eurex Clearing AG being interposed) under the standard form of the ISDA 2002 Master Agreement governed by English law (the "Bilateral Credit Derivative Transaction"), the Termination Date. The "Bond Physical Settlement Date" (together with the Loan Physical Settlement Date, the "Physical Settlement Date") is the day that is three business days following (a) the date of allocation pursuant to Chapter VIII Number 2.1.16.3 Paragraph 3 of the Clearing Conditions, or (b) in case of a Restructuring Credit Event, the date of the Notice of Physical Settlement or, if a Buyer has not issued such notice, the determination notice delivered by Eurex Clearing AG pursuant to Chapter VIII Number 2.1.16.3 Paragraph 2 of the Clearing Conditions. In turn, Eurex Clearing AG (acting in its capacity as Seller) shall pay to such Buyer the Physical Settlement Amount^{CDD} that corresponds to the Deliverable Obligations^{CDD} that the relevant Buyer has Delivered^{CDD}.
- b. The relevant CCP Transactions will cease to exist and Eurex Clearing AG shall cease to have any rights or obligations as a party to the relevant CCP Transactions with the Clearing Members that are part of an Allocated Pair.
- c. The OTC Credit Derivative Transactions entered into pursuant to item 1 shall have the same contractual credit derivative terms as the portion of the CCP Transactions which was subject to the allocation of the relevant Notice of Physical Settlement, such terms being set out in Chapter VIII Numbers 2.1.3 (which for purposes of Bilateral Credit Derivative Transactions shall also include an incorporation by reference of Sections 2.31 and Article VIII and IX of the Credit Derivative Definitions), 2.1.11 to 2.1.16 Paragraphs 1 to 13 and Chapter VIII Numbers 2.2.2, 2.2.2.1, 2.2.2.2, and 2.2.2.3 as well as Number 2.3.2.1 provided that:
- i. the Clearing Member acting as Seller under the Bilateral Credit Derivative Transaction shall be the Calculation Agent, also with respect to the applicable Currency Rate^{CDD},
 - ii. the Calculation Agent City is the city in which the Calculation Agent is acting for purposes of the Credit Derivatives Transaction is located, and

- iii. all notices shall be made in accordance with Section 1.10 of the Credit Derivatives Definitions.

Items 1 to 3 shall apply to CCP Customer Transactions relating to the CCP Transactions which have become Bilateral Credit Derivative Transactions pursuant to item 1 mutatis mutandis. If the relevant Buyer Delivers^{CDD} Deliverable Obligations^{CDD} in an amount greater than the Deliverable Obligations^{CDD} specified in the Notice of Physical Settlement, Eurex Clearing AG shall not be required to pay more than the Physical Settlement Amount^{CDD} that corresponds to the Deliverable Obligations^{CDD} specified in the Notice of Physical Settlement. Any Delivery^{CDD} by Buyer and payment by Eurex Clearing AG shall be made in accordance with market practice applicable to the Deliverable Obligation^{CDD} on the Delivery Date^{CDD} and the settlement procedures of Eurex Clearing AG.

- (2) The relevant Buyer shall Deliver^{CDD} Bonds^{CDD} with an outstanding principal balance (including accrued but unpaid interest, as determined by the Calculation Agent, if "Include Accrued Interest" is specified in the following Subparts of this Part 2 with respect to a relevant Product Type of CCP Transactions or in the relevant OTC Trade Event Report, but excluding accrued but unpaid interest if (a) "Exclude Accrued Interest" or (b) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the following Subparts of this Part 2 with respect to a relevant Product Type of CCP Transactions or in the relevant OTC Trade Event Report) or the equivalent Currency Amount^{CDD} of such amount in the aggregate amount as of the Delivery Dates^{CDD} that is equal to the Floating Rate Payer Calculation Amount. The Buyer may Deliver^{CDD} Bonds^{CDD} with an outstanding principal balance (including or excluding accrued but unpaid interest, as applicable) or the equivalent Currency Amount^{CDD} in the aggregate amount as of the relevant Delivery Dates^{CDD} that is either (i) greater than the Floating Rate Payer Calculation Amount, in which case the Seller shall not be required to pay more than the Physical Settlement Amount^{CDD} to the Buyer, or (ii) less than the Floating Rate Payer Calculation Amount, in which case Seller shall not be required to pay more than the proportion of the Physical Settlement Amount^{CDD} that corresponds to the Deliverable Obligations^{CDD} Delivered^{CDD}.

- (3) If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the Delivery Date^{CDD} as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or nonoccurrence of such event or circumstance.

- (4) Clearing Members acting as Buyers shall confirm vis-à-vis Eurex Clearing AG one business day prior to the respective Physical Settlement Date at the latest, whether the notified Bonds^{CCP} will be Delivered^{CCP} in due time.
- (5) The Buyer may deliver only the Deliverable Obligations^{CCP} specified in the Notice of Physical Settlement or as determined by Eurex Clearing AG pursuant to Chapter VIII Number 2.1.16.3 Paragraph 2 and only in the amounts specified therein.
- (6) If Deliverable Obligations^{CCP} comprise Convertible Obligations^{CCP}, Exchangeable Obligations^{CCP} or Accreting Obligations^{CCP}, the "outstanding principal balance" of such obligations shall be determined by Eurex Clearing AG as Calculation Agent in its discretion on the basis of the principles and rules set forth in Section 8.7 of the Credit Derivatives Definitions.
- (7) If Eurex Clearing AG cannot process the Bonds^{CCP} specified by a Clearing Member in a Notice of Physical Settlement through appropriate instruction to the respective bank for central depository of securities or to the custodian or central securities depository, respectively, then Chapter VIII Number 2.1.16.5 of the Clearing Conditions shall apply mutatis mutandis.
- (8) The provision regarding Setoff (Chapter I Number 1.4.) and Gross Delivery Management (Chapter I Number 1.6. of the Clearing Conditions) shall apply to Deliver^{CCP} Bonds^{CCP}.
- (9) Paragraphs (1) to (8) shall apply to the physical settlement obligations under a corresponding CCP Transaction between Eurex Clearing AG acting in its capacity as Buyer and a Clearing Member that acts as Seller and to the legal relationship between Clearing Member and Registered Customer mutatis mutandis.

~~2.1.16.5 Deliverable Obligation Category others than Bond~~

- (12) In case a Deliverable Obligation Category that includes Deliverable Obligations other than Bonds^{CCP} is specified as Deliverable Obligation Category^{CCP} in the following Subparts of this Part 2 or in the OTC Trade Event Report with respect to the relevant CCP Transaction and if a Deliverable Obligation^{CCP} other than a Bond^{CCP} has been specified in a Notice of Physical Settlement, only Clearing Members and Registered Customers (and not Eurex Clearing AG) shall be obliged to fulfil the obligations to Deliver^{CCP} the relevant Deliverable Obligation(s)^{CCP}, and to pay the Physical Settlement Amount^{CCP}, as Buyers and Sellers, as applicable, based on the allocation of Deliverable Obligations^{CCP} to Clearing Members performed pursuant to Chapter VIII Number 2.1.16.3 paragraph (3) and to

Registered Customers pursuant to Chapter VIII Number 2.1.16.3 paragraph (3) in conjunction with paragraph (5), of the Clearing Conditions.

The legal relationships regarding CCP Transactions and CCP Customer Transactions as described in Chapter VIII Number 1.2.4 of the Clearing Conditions shall change as follows as from the close of the business day when allocation pursuant to Chapter VIII Number 2.1.16.3 paragraph 3 of the Clearing Conditions has been performed:

(n) ~~Eurex Clearing AG assigns its claims arising from each relevant CCP Transaction against the respective Clearing Member acting as Seller to a Clearing Member acting as Buyer of a corresponding CCP Transaction. The respective Clearing Member acting as Buyer at the same time assumes the corresponding obligations of Eurex Clearing AG vis-à-vis the respective Clearing Member acting as Seller. At the same time, the claims and obligations between Eurex Clearing AG and the Clearing Member acting as Buyer of the corresponding CCP Transaction shall expire and, subject to paragraph (b) below, any claims and obligations relating to a corresponding OTC Credit Derivatives Transaction shall only exist between the Clearing Member acting as Buyer and the Clearing Member acting as Seller without Eurex Clearing AG being interposed.~~

(o) ~~To the extent that a Clearing Member (acting as Buyer or Seller) has concluded corresponding CCP Customer Transactions with a Registered Customer, each such Clearing Member — at the time of the modification of the legal relationships relating to the CCP Transactions (paragraph (a) above) — assigns any claims against the other Clearing Member under the contractual relationship established pursuant to paragraph (a) above to its Registered Customers. Each relevant Registered Customer at the same time assumes the corresponding obligations of its Clearing Member. At the same time, the claims and obligations among the Clearing Member(s) and the Registered Customer(s) under the relevant CCP Customer Transaction(s) shall expire. As a result, the Registered Customer shall be obligated directly vis-à-vis the respective Clearing Member acting as Buyer or the Clearing Member acting as Seller — as the case may be — of the corresponding CCP Customer Transaction or, in case such Clearing Member has concluded a corresponding CCP Customer Transaction, vis-à-vis the relevant other Registered Customer to make the relevant payments or to Deliver^{CDD} the relevant Deliverable Obligations^{CDD}, as applicable.~~

(p) ~~After an assumption of existing obligations arising from CCP Transactions by Registered Customers and after the assignments of claims have been~~

effected pursuant to paragraph (b) above, the Clearing Members shall be liable vis-à-vis Eurex Clearing AG as guarantor in cash, irrespective of the original provisions regarding any contractual obligations to make deliveries, i.e. Eurex Clearing AG may demand under such guarantee only the payment of cash from Clearing Members instead of the delivery of any deliverable obligations or the fulfilment of any other non-payment obligations, if any, in particular if delivery has failed.

After the assumption by a Clearing Member of existing obligations of Eurex Clearing AG arising from CCP Transactions pursuant to paragraph (a) above and the assignment of claims of Eurex Clearing AG against a Clearing Member to the other Clearing Member, Eurex Clearing AG shall be liable as guarantor vis-à-vis the relevant non-defaulting Clearing Member or, in case of paragraph (b) above, the non-defaulting Registered Customer, as applicable, only in cash and in respect of this liability in cash sentence 1 of this paragraph (c) shall apply mutatis mutandis.

- (r) In the case of a change of the legal relationship as set out above, first the relevant Deliverable Obligation(s)^{CDP} shall be Delivered^{CDP} amongst Clearing Member(s) and/or Registered Customer(s), as the case may be, on the last day of the longest Delivery Period (the "Loan Physical Settlement Date"). "Delivery Period" means the longest number of CD Business Days for settlement in accordance with the current market practice of such Deliverable Obligation^{CDP} and it starts on (a) the date of allocation pursuant to Chapter VIII Number 2.1.16.3 Paragraph 3 of the Clearing Conditions, or (b) in case of a Restructuring^{CDP} Credit Event^{CDP}, the date of the Notice of Physical Settlement or, if a Buyer has not issued such notice, the determination notice delivered by Eurex Clearing AG pursuant to Chapter VIII Number 2.1.16.3 Paragraph 2 of the Clearing Conditions. The financial settlement shall be effected one business day after confirmation by the Clearing Member(s) and/or Registered Customer(s), as the case may be, that such Deliverable Obligation(s)^{CDP} have been Delivered^{CDP}. The financial settlement shall be performed via the Clearing Member (if payment is made by a Registered Customer) and Eurex Clearing AG as paying agent. The date of payment is a Termination Date for purposes of the transaction resulting from the change to the relevant CCP Transactions.
- (s) Any cash amounts for which Eurex Clearing AG or a Clearing Member are liable as guarantor pursuant to paragraph (c) above shall be calculated in accordance with Chapter VIII Number 2.1.16.7 of these Clearing Conditions.

(20) Subject to paragraph (1) above, the provisions relating to the Delivery^{CCD} of Bonds^{CCD} set out in Chapter VIII Number 2.1.16.4 of the Clearing Conditions shall apply to the Delivery^{CCD} of Loans^{CCD} from one Clearing Member to another Clearing Member or from or to a Registered Customer mutatis mutandis.

(21) If a Clearing Member acting as Buyer has not Delivered^{CCD} any Deliverable Obligation^{CCD} specified in the Notice of Physical Settlement that are Loans, Sections 9.10 (a) and (b) of the Credit Derivatives Definitions (Alternative Procedures Relating to Loans Not Delivered) shall apply mutatis mutandis provided that any Bonds^{CCD} delivered pursuant to Sections 9.10 (a) and (b) of the Credit Derivatives Definitions are specified in the Notice of Deliverable Obligations. The relevant parties must have completed the settlement procedure within 25 calendar days from the start of the Delivery Period (Paragraph 1(d) above). Otherwise, Chapter VIII Number 2.1.16.7 of these Clearing Conditions will apply.

~~2.1.16.6 Non Delivery regarding Deliverable Obligation Category Bond~~

(0) In the event that, irrespective of whether this is due to an event beyond its control, a Clearing Member, which is obliged to Deliver^{CCD} Bonds^{CCD}, fails to Deliver^{CCD} the Bonds^{CCD} determined pursuant to Chapter VIII Number 2.1.16.3 of the Clearing Conditions on the Physical Settlement Date for Bonds and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled or, on request of a Clearing Member which did not receive Delivery^{CCD} of Bonds^{CCD} on the Physical Settlement Date for Bonds, obligated to close out all or a portion of the relevant OTC Credit Derivative Transaction by making a replacement purchase with respect to the Bonds not Delivered^{CCD} at any time after the date that is five business days after the Physical Settlement Date for Bonds until the date that is 25 calendar days following the Physical Settlement Date (the "Buy-in Period") and to Deliver^{CCD} these Bonds^{CCD} to the Clearing Member which did not receive Delivery^{CCD} in a timely manner. At least two business days before the intended replacement purchase Eurex Clearing AG will inform the Clearing Member acting as Buyer about its intention to make such replacement purchase, the relevant Bonds ("Relevant Bonds") to be subject to the buy-in, and the outstanding principal balance thereof sought to be bought in ("Buy-in Notice"). Eurex Clearing AG shall attempt to obtain from five or more Clearing Members holding a CD Clearing License firm quotations for the sale ("Buy-in Offers") of the outstanding principal balance of the Relevant Bonds specified in the Buy-in Notice. The lowest Buy-in Offer or, if Eurex Clearing AG obtains only one Buy-in Offer, such Buy-in Offer, for the outstanding principal balance of the Relevant Bonds shall be the "Buy-in Price".

- (O) —Eurex Clearing AG is entitled to designate from the deliverable Bonds^{CDD} (Chapter VIII Number 2.1.16.2 of the Clearing Conditions) Bonds^{CDD} other than those notified as Bonds^{CDD} to be Delivered^{CDD} and to Deliver^{CDD} such Bonds to the Clearing Member which did not receive Delivery^{CDD} on the Physical Settlement Date. As long as the Clearing Member acting as Buyer has not received any Buy-in Notice, such Clearing Member may continue to attempt to Deliver^{CDD} the whole of the Deliverable Obligations^{CDD} specified in the Notice of Physical Settlement.
- (O) —Eurex Clearing AG will inform the relevant Clearing Members about the Buy-in Price and the outstanding principal balance of the relevant Bonds^{CDD} for which such price was obtained and Deliver^{CDD} the Bonds^{CDD} to the Clearing Member acting as Seller against payment by such Clearing Member of an amount equal to the Buy-in Cash Settlement Amount. Buy-in Cash Settlement Amount means an amount equal to that portion of the Physical Settlement Amount^{CDD} that corresponds to such portion of the Deliverable Obligations^{CDD}, reduced (but not below zero) by the Buy-in Price multiplied by the corresponding outstanding principal balance of the relevant Bonds for which a Buy-in Price was determined. Following a notice pursuant to the first sentence of this paragraph, Delivery^{CDD}, and payment, respectively, the Clearing Member acting as Buyer will be deemed to have Delivered^{CDD} the outstanding principal balance of the Bonds^{CDD} specified in the Notice of Physical Settlement for which a Buy-in Price was determined and the Eurex Clearing AG will pay to the Clearing Member acting as Buyer the Buy-in Cash Settlement Amount (subject to a deduction of costs incurred by Eurex Clearing AG pursuant to paragraph 7 below), the date of financial settlement being the Termination Date.
- (O) —To the extent that no replacement purchase has taken place within the Buy-in Period, the Calculation Agent may determine a cash settlement amount for the outstanding settlement of the relevant CCP Transactions or of a portion thereof (the "Bond Cash Settlement Amount"). Upon notification of the relevant Clearing Members by Eurex Clearing AG of the Bond Cash Settlement Amount, the obligations of the Clearing Member and Eurex Clearing AG, respectively, acting as Buyer shall expire. Instead, the Clearing Member acting as Seller shall pay the Bond Cash Settlement Amount to Eurex Clearing AG and Eurex Clearing AG shall pay the Bond Cash Settlement Amount to the Clearing Member acting as Buyer on the second business day following the end of the Buy-in Period (such day being a Termination Date). The Bond Cash Settlement Amount will be calculated by the Calculation Agent on the basis of the outstanding principal balance or Currency Amount^{CDD}, as applicable, of Bonds^{CDD} (or portion of Bonds^{CDD}) not Delivered^{CDD} or not bought-in which is multiplied by the difference between the Reference Price, if any, minus the Final Price for the Bonds^{CDD} or portions thereof not Delivered^{CDD} subject to a minimum amount of zero.

- (0) For purposes of paragraph (4) above the "Final Price" will be determined by the Calculation Agent as follows: the Calculation Agent will attempt to obtain a price in the form of firm quotations from at least five Clearing Members holding a CD Clearing License for the Reference Obligation^{CD} in an amount equal to the outstanding principal balance of the Bonds^{CD} (or portion thereof) not Delivered^{CD} or bought in ("Quotation Amount"). The quotations shall be obtained on a date that is one business day following the expiry of the Buy-in Period at 12 a.m. Frankfurt time ("Valuation Time"). The Final Price will be determined on the basis of the valuation method "Market^{CD}" as defined in Section 7.5 (i) of the Credit Derivatives Definitions provided that the word "Dealer" shall be replaced by the words "relevant Clearing Members" and further provided that, instead of applying paragraphs (c) and (f) of Section 7.6 (Market Value) of the Credit Derivatives Definitions, if the Calculation Agent is unable to obtain any firm quotation, the Final Price shall be determined by Eurex Clearing AG acting as Calculation Agent in its discretion.
- (0) Measures taken by Eurex Clearing AG set forth in paragraph 1 to 5 shall be binding on the relevant Clearing Members.
- (0) Any costs arising from the measures taken in accordance with paragraphs 1 to 5 must be paid by the Clearing Member obliged to deliver.
- (0) The right to claim further damages shall be excluded for Eurex Clearing AG as well as for the Clearing Member which did not receive Delivery^{CD} in a timely manner.
- (0) Furthermore, the legal consequences pursuant to Chapter I Number 7.1 of the Clearing Conditions shall not apply if the Clearing Member acting as Buyer fails to Deliver^{CD} a Deliverable Obligation^{CD} specified in the Notice of Physical Settlement.

~~2.1.16.7 Non-delivery regarding Deliverable Obligation Category others than Bond~~

- (35) If Eurex Clearing AG has not received confirmation by the Clearing Member(s) and / or Registered Customer(s), as the case may be, within the Settlement Period pursuant to Chapter VIII Number 2.1.16.5 Paragraph 3 of the Clearing Conditions that the relevant Deliverable Obligation(s)^{CD} have been delivered by the relevant Clearing Member as Buyer or its Registered Customer (in case of Number 2.1.16.5 paragraph (b) above), as applicable, a cash amount shall be

payable by the Clearing Member acting as Seller or its Registered Customer (in case of Number 2.1.16.5 paragraph (b) above), as applicable (the "Loan Cash Settlement Amount") on the second business day after expiry of the Settlement Period (such date being a Termination Date). For calculating the Loan Cash Amount, Chapter VIII Number 2.1.16.6 paragraph 4 (last sentence) and paragraph 6 of the Clearing Conditions shall apply to the Deliverable Obligation^{CCP} other than Bond^{CCP} which has not been Delivered^{CCP} mutatis mutandis.

(36) The Loan Cash Settlement Amount will be calculated by the Calculation Agent on the basis of the outstanding principal balance or Currency Amount^{CCP}, as applicable, of Deliverable Obligations^{CCP} (or portion thereof) not Delivered^{CCP} which is multiplied by the difference between the Reference Price, if any, minus the Final Price for the Deliverable Obligations^{CCP} or portions thereof not Delivered^{CCP} subject to a minimum amount of zero.

(37) For purposes of paragraph 2 above the "Final Price" will be determined by the Calculation Agent by applying the procedures set out in Chapter VIII Number 2.1.16.6 Paragraph 6 of the Clearing Conditions mutatis mutandis.

(38) Chapter VIII Number 2.1.16.6 Paragraphs 7 to 9 of the Clearing Conditions shall apply to the non-delivery of Deliverable Obligations^{CCP} other than Bonds^{CCP} mutatis mutandis.

(39) A Clearing Member or Registered Customer, as applicable, shall, provided that it resorts upon Eurex Clearing AG as guarantor due to a default of the relevant other Clearing Member or Registered Customer, as applicable in making the payment of the Loan Cash Settlement Amount when due, assign any payment claims against the defaulting Clearing Member or relevant Registered Customer, as applicable, to Eurex Clearing AG if Eurex Clearing AG has fulfilled the asserted payment claim.

(40)d. _____ To the extent a Clearing Member or Registered Customer resorts upon Eurex Clearing AG as guarantor pursuant to paragraph 5 above following a default by a Registered Customer, Eurex Clearing AG may resort upon the Clearing Member that is liable as guarantor for the obligations of the defaulting Registered Customer in making the payment of the Loan Cash Settlement Amount. In this case, Eurex Clearing will assign any payment claims against the defaulting Registered Customer to the relevant Clearing Member if such Clearing Member has fulfilled the asserted payment claim.

2.2 Sub-Part: Clearing of Index Credit Default Swap Transactions

2.2.1 Special Provisions regarding Index Credit Default Swap Transactions

The following Sub-Part contains the specifications for index Credit Default Swap Transactions based on credit default indices.

2.2.1.1 General Terms

- (1) An Index Credit Default Swap Transaction ("Index Credit Default Swap" or "Index CDS") is a contract between two parties, a protection buyer or fixed rate payer who makes fixed periodic payments, and a protection seller or floating rate payer, who collects the fixed periodic payments in exchange for compensating the protection buyer in case of the occurrence of a Credit Event^{CDD} with respect to Reference Entities^{CDD} which are comprised in a specific credit default swap index which is published, composed, weighted and calculated by an index provider.
- (2) Each Index CDS is defined by, among others:
 - a) The reference entities comprised in the relevant index and related reference obligations;
 - b) The relevant term which differentiates it from an Index CDS on the same index which has a different term;
 - c) The notional amount;
 - d) The weighting of the reference entities comprised in the index; and
 - e) A coupon payable by the fixed rate payer or protection buyer.
 - f) Certain Credit Events^{CDD} which will trigger the settlement of the Index CDS.

2.2.1.2 Product Types and Product-specific Novation Criteria

- (1) Eurex Clearing AG clears the following Index CDS Product Types: iTraxx® Europe Index, iTraxx® Europe HiVol Index, and iTraxx® Europe Crossover Index.

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- (2) Index CDS on the iTraxx® Europe Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
- iTraxx® Europe Index Series 7, 8, 9, 10, 11 and any new versions thereof or series launched after series 11 and published on the website of the Index Publisher (www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
- (3) Index CDS on the iTraxx® Europe HiVol Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
- iTraxx® Europe HiVol Index Series 7, 8, 9, 10, 11 and any new versions or series thereof or series launched after series 11 and published on the website of the Index Publisher (currently www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
- (4) Index CDS on the iTraxx® Europe Crossover Index must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:
- iTraxx® Europe Crossover Index Series 7, 8, 9, 10, 11 and any new versions or series thereof or series launched after series 11 and published on the website of the Index Publisher (www.markit.com) with terms of 3, 5, 7 and 10 years provided that such series have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.
- (5) In the trade record of the relevant Index CDS transmitted to Eurex Clearing AG by the Approved Trade Source System the data fields for the following attributes must be filled in Counterparty ID, Trade Date, Effective Date, Scheduled Term Date, Reference Entity Name, Fixed Rate Payer (Buyer), Float Rate Payer (Seller), Fixed Rate (per annum), Float Rate Amount, Float Rate Currency.
- (6) If an Index CDS meets the Product-specific novation criteria above on the basis of the data provided by the Approved Trade Source System, then such Index CDS will be novated pursuant to Chapter VIII Sub-Part 1.2 and included in the clearing (provided that all other applicable novation criteria are met) irrespective

of whether the terms of such Index CDS as agreed among the parties otherwise differ from the terms set out in these Clearing Conditions.

2.2.2 Clearing of iTraxx® Index Credit Default Swap Transactions

- (1) The following sections shall rule the clearing of the types of Index CDS set out in Number 2.2.1.2 above.
- (2) "iTraxx® Europe Indices" means each of the series and versions of indices set out in Number 2.2.2.1 to Number 2.2.2.3 below. Information about these indices and their publication, composition, weighting and calculation is available on the website of the Index Publisher (www.markit.com).
- (3) "iTraxx® Index Sponsor" means International Index Company Ltd., or any successor thereto, and "iTraxx® Index Publisher" means Mark-it Partners Ltd., or any replacement therefore appointed by the Index Sponsor for purposes of officially publishing the relevant iTraxx® Index.
- (4) Following the publication of a new series for any of the iTraxx® Europe Indices, all existing CCP Transactions that are linked to a previous series of the relevant index shall not be affected by the publication of such new index series. Any OTC Credit Derivatives Transactions that will be included in the clearing by way of novation after the publication of a new index series for any of the iTraxx® Europe Indices may either be linked to a previous series of the relevant index or to the relevant new series of the iTraxx® Europe Indices.
- (5) Following the occurrence of a Credit Event^{CDD} and the satisfaction of the Conditions to Settlement, the affected Reference Entity will be an "Excluded Reference Entity" as from the relevant Event Determination Date. Any CCP Transactions linked to the same series of one of the iTraxx® Europe Indices that is affected by such Credit Event^{CDD} shall have the same terms (except for the Original Trade Date and the Effective Date) irrespective of whether the Credit Event^{CDD} has occurred before or after the relevant Original Trade Date and irrespective of whether a new version of the relevant series has been published by the Index Publisher if the publication of such new version is exclusively due to the occurrence of the respective Credit Event^{CDD}. This shall apply mutatis mutandis if a Reference Obligation^{CDD} has been substituted or if a Succession Event^{CDD} has occurred with respect to a Reference Entity comprised in one of the iTraxx® Europe Indices, i.e. the relevant Successor^{CDD} shall in any event be the Reference Entity irrespective of whether a new version reflecting such Succession Event^{CDD} has been published or not. If as a result of such events a

new version has been published and if the index in its new version is the same as the previous version of the index after adjustment due to the relevant Credit Event^{CDD} or Succession Event^{CDD} or after substitution of Reference Obligation^{CDD}, Eurex Clearing AG will adjust all affected CCP Transactions to reflect the new version of the Index.

- (6) In case of a Restructuring Credit Event^{CDD}, the affected Reference Entity will be excluded from the relevant iTraxx® Europe Index and the portion of the CCP Transaction linked to the relevant iTraxx® Europe Index which relates to the affected Reference Entity will be split-off into a Single-Name CDS in accordance with paragraph Chapter VIII Number 2.2.2.1 Paragraph 19 below.
- (7) Each CCP Transaction that according to the relevant OTC Trade Event Report is an iTraxx® Europe OTC Credit Derivatives Transaction (the "iTraxx® Master Transaction") shall be deemed to consist of individual component transactions (each a "Component Transaction" in respect of each Reference Entity listed in the Relevant Annex (each a "Component Transaction") provided that, if, in respect of a Reference Entity, a Succession Event^{CDD} occurs or has occurred on or following the earlier of the Effective Date and the Original Trade Date, the provisions of Section 2.2 of the Credit Derivatives Definitions and Chapter VIII Number 2.1.13 of these Clearing Conditions will apply in respect of such Reference Entity mutatis mutandis. Without prejudice to the fact that a Component Transaction is only a part of one single CCP Transaction, such CCP Transaction being the iTraxx® Master Transaction, each Component Transaction shall be deemed to be a Credit Derivatives Transaction for purposes of the definitions and provisions of the Credit Derivatives Definitions. having the terms applicable to iTraxx® Europe transactions as set out herein.
- (8) For purposes of CCP Transactions that are Index CDS linked to one of the iTraxx® Europe Indices, "CD Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London and a TARGET Settlement Day^{CDD}.

2.2.2.1 iTraxx® Europe Index

- (1) CCP Transactions that are Index CDS on the iTraxx® Europe Index, in each case the series and version of the iTraxx® Europe Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) to (19) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1. and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these

Clearing Conditions.

- | | |
|--|---|
| (2) Original Trade Date: | As shown in the relevant OTC Trade Event Report. |
| (3) Effective Date: | The Roll Date in respect of the relevant iTraxx® Europe Index as set out and defined in the Relevant Annex. |
| (4) Scheduled Termination Date ^{CDD} : | As shown in the relevant OTC Trade Event Report. |
| (5) Floating Rate Payer:
"Seller") | As shown in the relevant OTC Trade Event Report (the |
| (6) Fixed Rate Payer:
"Buyer") | As shown in the relevant OTC Trade Event Report (the |
| (7) Reference Entity ^{CDD} : | Subject to paragraph 18 below, the relevant Reference Entity ^{CDD} contained in the relevant iTraxx® Europe Index and listed in the Relevant Annex, and except for any Successor Excluded Reference Entity specified in the OTC Trade Event Report. |
| (8) Reference Obligations ^{CDD} : | The Reference Obligation(s) (if any) set out opposite the relevant Reference Entity in the Relevant Annex, subject to Chapter VIII Number 2.1.13 Paragraph 5 of the Clearing Conditions. |
| (9) Business Day Convention ^{CDD} : | Following ^{CDD} (which, except for the Effective Date and the Original Trade Date, shall apply to any date referred to in this Number 2.2.2.1 or in the OTC Trade Event Report that falls on a day that is not a CD Business Day). |
| (10) Relevant Annex: | The "Relevant Annex" shall be the list for the relevant iTraxx® Europe Index with the relevant Annex Date specified in the OTC Trade Event Report, as published by the Index Publisher (which can be accessed currently at http://www.markit.com). |
| (11) Initial Payment: | Any initial payment will have to be made directly between the parties in accordance with the terms of the Original OTC Transaction and no initial payment is due under a CCP Transaction as set out in Chapter VIII Number 2.1.14 of these Clearing Conditions. |

~~(12)~~ Fixed Payments:

~~The Fixed Rate Payer will make Fixed Payments in accordance with Chapter VIII Number 2.1.15 of these Clearing Conditions provided that:~~

(12) a)

The "Fixed Rate Payer Calculation Amount" shall be the Floating Rate Payer Calculation Amount.

b) The "Fixed Rate Payer Payment Dates" shall be each 20th March, 20th June, 20th September and 20th December in each year.

c) The "Fixed Rate Payer Calculation Period" shall be each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the later of the Effective Date and the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Original Trade Date and (b) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of these Clearing Conditions).

(d) The "Fixed Rate" shall be the per annum rate in respect of the relevant iTraxx® Europe Index and the Term of the relevant iTraxx® Master Transaction as set out in the Relevant Annex.

(e) The "Fixed Rate Day Count Fraction" shall be Actual/360^{CDD}.

(13) Floating Payment:

The Floating Rate Payer and Seller shall make Floating Payments in accordance with Chapter VIII Number 2.1.16 of ~~the~~ these Clearing Conditions provided that:

a) With respect to each Component the "Floating Rate Payer Calculation Amount" shall be an amount equal to:

Reference Entity Weighting x Original Notional Amount.

- b) "Original Notional Amount" shall be the amount shown as such in the OTC Trade Event Report.
- c) "Reference Entity Weighting" means the percentage set out opposite the relevant Reference Entity in the Relevant Annex, provided that the Reference Entity Weighting in respect of an Excluded Reference Entity shall be deemed to be zero.
- d) "Excluded Reference Entity" means a Reference Entity shown as such in the OTC Trade Event Report.
- e) The "Credit Events^{CDD}" shall be:

Bankruptcy^{CDD}

Failure to Pay^{CDD}

Restructuring^{CDD}

Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall apply to the Notice of Deliverable Obligations, provided that Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall not apply if the Reference Entity is specified as a "Subordinated Insurer" in the Relevant Annex.

Notwithstanding Chapter VIII Number 2.1.16.1 Paragraphs 3 Paragraph 2 and 4 3 of the Clearing Conditions, in case of such a Subordinated Insurer there will be no Auction^{CDD} for different Maturity Buckets and there will be no such different Maturity Buckets available under the Fallback Settlement Method either. Rather, the provisions of the Auction Settlement Method or the Fallback Settlement Method, as applicable, which would apply

upon occurrence of a Credit Event^{CDD} in the form of a Bankruptcy^{CDD} or a Failure to Pay^{CDD}, apply mutatis mutandis.

For the avoidance of doubt, in case of a Restructuring^{CDD} Credit Event^{CDD} Section 4.9 (Limitation on Obligations in Connection with Section 4.7) of the Credit Derivatives Definitions shall apply.

(14) All Guarantees^{CDD}:

"All Guarantee" shall be applicable for purposes of the definitions of Obligation and Deliverable Obligation^{CDD}.

(15) Obligation(s)^{CDD}

a) Obligation Category^{CDD}: Borrowed Money^{CDD}

b) Obligation ~~Characteristics~~ Characteristics^{CDD}: None.

(16) Settlement Terms:

Auction Settlement Method pursuant to Number 2.1.16.1 of these Clearing Conditions shall apply (subject to the Fallback Settlement Method) provided that in the case of the Fallback Settlement Method:

a) "Exclude Accrued Interest^{CDD}" shall apply. ~~(Number 2.1.16.4 paragraph (3) of these Clearing Conditions)~~

b) The "Deliverable Obligation Category^{CDD}" shall be Bond or Loan^{CDD}.

c) The "Deliverable Obligation Characteristics^{CDD}" shall be the following:

- Not Subordinated^{CDD}

- Specified Currency^{CDD} (Standard Specified Currencies^{CDD})

- Not Contingent^{CDD}

- Assignable Loan^{CDD}

- Consent Required Loan^{CDD}

- Transferable^{CDD}

- Maximum Maturity^{CDD}: 30 years

- Not Bearer^{CDD}

d) Escrow^{CDD} (Section 8.11 of the Credit Derivatives Definitions) shall apply in case of the Fallback Settlement Method provided that any physical settlement by way of a Delivery^{CDD} of a Bond^{CDD} that can be processed by Eurex Clearing AG through appropriate instruction to the respective bank for central depository of securities or to the custodian or central securities depository, respectively, shall take place through Eurex Clearing AG, as Escrow Agent in accordance with the Clearing Conditions (in which case the last sentence of Section 8.11(a) shall be replaced by the clearing arrangements between the parties and Eurex Clearing AG).

(17) Merger of Reference Entity and Seller: For the avoidance of doubt, Section 2.31 of the Credit Derivative Definitions shall not apply.

(18) Inconsistency between Relevant Annex and Index: In the event of any inconsistency between the Relevant Annex and the relevant iTraxx® Europe Index published by the Index Sponsor, the Relevant Annex shall govern.

(19) Restructuring Credit Event: If a DC Credit Event Announcement^{CDD} occurs in respect of a Restructuring^{CDD} with respect to a Reference Entity (such Reference Entity, a "Restructured Entity"), from and including the calendar day immediately following the date of such DC Credit Event Announcement^{CDD}:

- a) the Restructured Entity shall be deemed to have been removed from the iTraxx® Europe Index and the Relevant Annex; and
- b) the Component Transaction relating thereto shall continue in full force and effect between the parties as an independent CCP Transaction in the form of Single Name CDS referencing the Restructured Entity with the same economic terms and conditions as the Component Transaction immediately before such DC Credit Event Announcement except that this Paragraph 19 shall be deemed not to apply (such new Transaction, a "New Trade"); and:-

- c) as soon as reasonably practicable after the DC Credit Event Announcement^{CDD}, the parties shall confirm the terms of the New Trade in their respective booking systems. Unless Resolved otherwise by a relevant Credit Derivatives Determinations Committee^{CDD} or a Eurex Determinations Committee, such New Trade shall be recorded as a Credit Derivative Transaction^{CDD} referencing solely the Restructured Entity which shall be deemed to be evidenced by a Confirmation for use with the Credit Derivatives Physical Settlement Matrix (as defined in the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published on March 7, 2005) and incorporating the Credit Derivatives Physical Settlement Matrix terms applicable for the relevant Transaction Type for the Restructured Entity; provided that the appropriate version of the Credit Derivatives Physical Settlement Matrix and the relevant Transaction Type shall be selected by the Calculation Agent in consultation with the Clearing Members holding a CD Clearing License, acting in good faith and in a commercially reasonable manner, such that the economic terms of the New Trade as closely as possible preserve the economic equivalent of the Component Transaction immediately before the DC Credit Event Announcement^{CDD}.
- d) If the Clearing Member acting as Seller or any of its Affiliates is the Restructured Entity, such Clearing Member shall either deliver a CD Exercise Notice or close the relevant Component Transaction that has become a CCP Transaction in accordance with Chapter VIII Number 2.3.1.3 which shall apply mutatis mutandis.

(20) Amendment to Relevant Annex: The Relevant Annex will be deemed amended from time to time to reflect any modifications required under Section 2.2 of the Credit Derivatives Definitions and Number 2.1.13 of these Clearing Conditions and the "Reference Obligation(s)^{CDD}" provisions in paragraph (8) above.

(21) STMicroelectronics NV: Where (a) STMicroelectronics NV is the Reference Entity; (b) the Notice of Physical Settlement with respect to such Reference Entity specifies the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV as a Deliverable Obligation^{CDD}, and (c) such Deliverable Obligation^{CDD} is not immediately due and payable as of the Delivery Date^{CDD}, the outstanding principal balance of such Deliverable Obligation^{CDD} shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation^{CDD}.

2.2.2.2 iTraxx® Europe HiVol Index

- (1) Index CDS on the iTraxx® Europe HiVol Index, in each case the series and version of the iTraxx® Europe HiVol Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1 and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these Clearing Conditions.
- (2) The provisions set out in Chapter VIII Number 2.2.2.1 above relating to the iTraxx® Europe Index shall apply to the iTraxx® Europe HiVol Index Product Types mutatis mutandis provided that the term "iTraxx® Europe Index" shall be replaced by the term "iTraxx® Europe HiVol Index".

2.2.2.3 iTraxx® Europe Crossover Index

- (1) Index CDS on the iTraxx® Europe Crossover Index, in each case the series and version of the iTraxx® Europe Crossover Index as shown in the relevant OTC Trade Event Report, shall be governed by the product-specific terms applicable pursuant to paragraph (2) below which have to be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1, the Numbers 2.2.1 and 2.2.2 above, and the general clearing provisions set out in Chapter I and II of these Clearing Conditions.
- (2) The provisions set out in Number 2.2.2.1 relating to the iTraxx® Europe Index shall apply to the iTraxx® Europe Crossover Index Product Types mutatis mutandis provided that the term "iTraxx® Europe Index" shall be replaced by the term "iTraxx® Europe Crossover Index".

2.3 Sub-Part: Clearing of Single Name Credit Default Swap Transactions

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2.3.1 Special Provisions regarding Single Name Credit Default Swap Transactions

The following Sub-Part contains the specifications for Single Name Credit Default Swap Transactions ("Single Name CDS") based on a single Reference Entity.

2.3.1.1 General Terms

- (1) An Single Name CDS is a contract between two parties, a protection buyer or fixed rate payer who makes fixed periodic payments, and a protection seller or floating rate payer, who collects the fixed periodic payments in exchange for compensating the protection buyer in case of the occurrence of a Credit Event^{CDD} with respect to the Reference Entity^{CDD} on which the protection buyer has bought credit protection from the protection seller.
- (2) Each Single Name CDS is defined by, among others:
 - a) The reference entity to which such Single Name CDS is linked;
 - b) A reference obligation of the reference entity
 - c) The relevant term which differentiates it from Single Name CDS on the same reference entity which has a different term;
 - d) The notional amount which means the quantity of the underlying asset on which the protection buyer has bought credit protection;
 - e) A coupon payable by the fixed rate payer or protection buyer.
 - f) Certain Credit Events which will trigger the settlement of the Single Name CDS.
 - g) The Deliverable Obligation Category and Characteristics that define the Deliverable Obligations.

2.3.1.2 Product Types and Product-specific Novation Criteria

- (1) Eurex Clearing AG clears the following Single Name CDS Product Types: Single Name CDS on iTraxx Europe Constituents.

- (2) Single Name CDS on the iTraxx® Europe Constituents must meet the following product-specific novation criteria (Chapter VIII Number 2.1.5 of the Clearing Conditions) based on the data transmitted to Eurex Clearing AG by an Approved Trade Source System on behalf of the Clearing Member or Registered Customer:

--The reference entities are constituents of the iTraxx® Europe Index, iTraxx® Europe HiVol Index or the iTraxx® Europe Crossover Index Series 7, 8, 9, 10, 11 and any version or series thereof launched after series 11 provided that such constituents have been accepted by Eurex Clearing AG for clearing pursuant to Chapter VIII.

- The currency for fixed rate payments, floating rate payments and settlement is either EUR, GBP, CHF or USD.
- The Single Name CDS matched by the Approved Trade Source System identify the reference entity and the reference obligation by using a RED (Reference Entity Database) code.
- The original maturity of the Single Name CDS is not more than 10.25 years.
- The scheduled maturity date is 20 March, 20 June, 20 September or 20 December, in each case unadjusted for non-business days
- The Single Name CDS are quarterly rolling transactions as of 20 March, 20 June, 20 September or 20 December (CDS IMM roll date) with quarterly fixed rate payments.
- The first fixed rate payment date is a quarterly CDS IMM roll date.
- The first fixed rate accrual period starts from the effective date or from the adjusted CDS IMM roll date.
- The single Name CDS is recorded as a standard using the ISDA 2003 Master Confirmation Agreement and falling within one of the four following ISDA Physical Settlement Matrix categories: European Corporate, Standard European Corporate, Subordinated European Insurance Corporate or Standard Subordinated European Insurance Corporate.
- With respect to CCP Transactions to be booked on the Principal Account of a the Seller, the Clearing Member or of a Registered Customer acting as Seller, the Reference Entity^{CDD} shall be different from the Clearing Member acting as Seller or a Registered Customer acting as Seller and any of the Affiliates of such Clearing Member or Registered Customer^{CDD} Reference Entity^{CDD}.

- In the trade record of the relevant Single Name CDS transmitted to Eurex Clearing AG by the Approved Trade Source System the data fields for the following attributes must be filled in Counterparty: ID, Trade Date, Effective Date, Scheduled Term Date, First Payment Date, Reference Obligation, Reference Entity Name, Master Document Transaction Type, Fixed Rate Payer (Buyer), Float Rate Payer (Seller), Fixed Rate (per annum), Float Rate Amount, Float Rate Currency, Payment Frequency (Months).
- (3) If an Single Name CDS meets the Product-specific novation criteria above on the basis of the data provided by the Approved Trade Source System, then such Single Name CDS will be novated pursuant to Chapter VIII Sub-Part 1.2 and included in the clearing (provided that all other applicable novation criteria are met) irrespective of whether the terms of such Single Name CDS as agreed among the parties otherwise differ from the terms set out in these Clearing Conditions.

2.3.1.3 Merger of Reference Entity and Seller

- |
- (1) In the event that a Seller, which may be a Clearing Member or a Registered Customer, as applicable, or a Reference Entity consolidates or amalgamates with, or merges into, or transfer all its assets to, the Reference Entity or the Seller, as applicable, or Seller and a Reference Entity become Affiliates, the Seller shall close all its existing CCP Transactions based on the respective Reference Entity by an inverse Single Name CDS (the "Closing") to be cleared by Eurex Clearing AG. Sentence 1 applies to CCP Transactions booked on the Principal Account of the Seller only.
 - (2) If the Closing of CCP Transactions has not been concluded by the respective Seller, which might be a Clearing Member or a Registered Customer, as applicable, within a certain adequate period of time set by Eurex Clearing AG in individual cases, Eurex Clearing AG may carry out the Closing of these CCP transactions on behalf of the concerned Seller.

2.3.2 Clearing of Single Name CDS

The following sections shall rule the clearing of CCP Transactions that are Single Name CDS.

2.3.2.1 Single Name CDS on iTRAXX Europe Constituents

- (1) CCP Transactions that are Single Name CDS on iTraxx Europe Constituents shall be governed by the product-specific terms below which shall be read together with the provisions set out in Chapter VIII, Part 1 and Part 2, Sub-Part 2.1 and Sub-Part 2.3 Number 2.31 and 2.3.2 and the terms set out in the paragraphs (2) to (17) below:

- | | |
|--|---|
| (2) Original Trade Date: | As shown in the relevant OTC Trade Event Report. |
| (3) Effective Date: | As shown in the relevant OTC Trade Event Report. |
| (4) Scheduled Termination Date: | As shown in the relevant OTC Trade Event Report. |
| (5) Floating Rate Payer: | As shown in the relevant OTC Trade Event Report (the "Seller") |
| (6) Fixed Rate Payer: | As shown in the relevant OTC Trade Event Report (the "Buyer") |
| (7) Reference Entity: | The Reference Entity specified as such in the OTC Trade Event Report. |
| (8) Reference Obligations ^{CDD} : | The Reference Obligation specified as such in the OTC Trade Event Report, subject to Chapter VIII Number 2.1.13 Paragraph 5 of the Clearing Conditions. |
| (9) CD Business Day: | <p>any day on which commercial banks and foreign exchange markets are generally open to settle payments in:</p> <ul style="list-style-type: none"> - London and a TARGET Settlement Day^{CDD} if the Settlement Currency is EUR - London and New York if the Settlement |
- Currency is USD
- London if the Settlement Currency is GBP

is CHF - London and Zurich if the Settlement Currency

(10) Business Day Convention^{CDD}: Following (which, except for the Effective Date and the Trade Date, shall apply to any date referred to in this Number 2.3.2.1 or in the OTC Trade Event Report that falls on a day that is not a CD Business Day.

(11) Initial Payment: Any initial payment will have to be made directly between the parties in accordance with the terms of the Original OTC Credit Derivatives Transaction and no initial payment is due under a CCP Transaction as set out in Chapter VIII Number 2.1.14 of these Clearing Conditions.

~~(12) Fixed Payments: The Fixed Rate Payer will make Fixed Payments in accordance with Chapter VIII Number 2.1.15 of these Clearing Conditions provided that:~~

~~(12)a) The "Fixed Rate Payer Calculation Amount" shall be the Floating Rate Payer Calculation Amount.~~

~~b) The "Fixed Rate Payer Payment Dates" shall be each 20th March, 20th June, 20th September and 20th December in each year.~~

~~c) The "Fixed Rate Payer Calculation Period" shall be each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the later of the Effective Date and the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Original Trade Date and (b) the~~

final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date (Chapter VIII Number 2.1.16 Paragraph 3 of these Clearing Conditions).

(d) The "Fixed Rate" shall be the per annum rate set out in the OTC Trade Event Report.

(e) The "Fixed Rate Day Count Fraction" shall be Actual/360^{CDD}.

(13) Floating Payment:

The Floating Rate Payer and Seller shall make Floating Payments in accordance with Chapter VIII Number 2.1.16 of these Clearing Conditions provided that the Floating Rate Payer Calculation Amount shall be denominated in EUR, GBP, CHF or USD, as shown in the OTC Trade Event Report.

The "Credit Events"^{CDD} shall be:

Bankruptcy^{CDD}

Failure to Pay^{CDD}

Restructuring^{CDD}

Modified Restructuring Maturity Limitation^{CDD} and Conditionally Transferable Obligation^{CDD} shall apply to the Notice of Deliverable Obligations.

These limitations do not apply if the inclusion of the initial Single Name CDS in the clearing was based on one of the two following product-specific novation criteria (Number 2.3.1.2 paragraph 2): "Subordinated European Insurance Corporate" or "Standard Subordinated European Insurance Corporate".

In this case, notwithstanding Chapter VIII Number 2.1.16.1 Paragraphs 3 paragraph 2

and ~~4.3~~ of the Clearing Conditions, there will be no Auctions^{CDD} for different Maturity Buckets and there will be no such different Maturity Buckets available under the Fallback Settlement Method either. Rather, the provisions of the Auction Settlement Method or the Fallback Settlement Method, as applicable, which would apply upon occurrence of a Credit Event^{CDD} in the form of a Bankruptcy^{CDD} or a Failure to Pay^{CDD}, apply mutatis mutandis.

For the avoidance of doubt, in case of a Restructuring^{CDD} Credit Event^{CDD} Section 4.9 (Limitation on Obligations in Connection with Section 4.7) of the Credit Derivatives Definitions shall apply.

(14) All Guarantees^{CDD} shall apply for purposes of determining a Deliverable Obligation^{CDD}.

(15) Obligation(s)^{CDD}

(a) Obligation Category^{CDD}: Borrowed Money^{CDD}

(b) Obligation Characteristics^{CDD}: None.

(16) Settlement Terms:

Auction Settlement Method pursuant to Number 2.1.16.1 of these Clearing Conditions shall apply (subject to the Fallback Settlement Method) provided that in the case of the Fallback Settlement Method:

- a) The Settlement Currency shall be the denomination of the Floating Rate Payer Calculation Amount.
- b) "Exclude Accrued Interest^{CDD}" shall apply. ~~(Number 2.1.16.4 paragraph (3) of these Clearing Conditions)~~
- c) The "Deliverable Obligation Category^{CDD}" shall be Bond or Loan^{CDD}.
- d) The "Deliverable Obligation Characteristics^{CDD}" shall be the following:

- Not Subordinated^{CDD}

- Specified Currency^{CDD} (Standard Specified Currencies^{CDD})

- Not Contingent^{CDD}

- Assignable Loan^{CDD}

- Consent Required Loan^{CDD}

- Transferable^{CDD}

- Maximum Maturity^{CDD}: 30 years

- Not Bearer^{CDD}

- e) Escrow^{CDD} (Section 8.11 of the Credit Derivatives Definitions) shall apply provided that the Delivery^{CDD} of a Bond^{CDD} that can be processed by Eurex Clearing AG through appropriate instruction to the respective bank for central depository of securities or to the custodian or central securities depository, respectively, shall take place through Eurex Clearing AG (in which case the last sentence of Section 8.11(a) shall be replaced by the clearing arrangements between the parties and Eurex Clearing AG).

- (17) If (a) STMicroelectronics NV is the Reference Entity and (b) the Notice of Physical Settlement with respect to such Reference Entity specifies the USD1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV as a Deliverable Obligation^{CDD}, and (c) such Deliverable Obligation^{CDD} is not immediately due and payable as of the Delivery Date^{CDD}, the outstanding principal balance of such Deliverable Obligation^{CDD} shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation^{CDD}.